



# **Nations Built on Lies**

## **Volume 2 -- Life in a Failed State**

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## ABOUT THE AUTHOR

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# **Life in a Failed State**

## **Part 1**



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## Introduction

In an earlier essay on the 1917 Jewish revolution in Russia,[\[1\]](#) I related this quote: **"The [Jews] systematically exterminated the clergy, the wealthy, the business class, the intelligent educated class, all the high-achieving segments of the population, leaving Russia with a population of ignorant workers, peasants, and a powerful Jewish ruling elite."**

This is precisely the situation - and the intent - with the US today. The methods are different, but the final result will be the same. It is dispiriting that, while the signs are everywhere to be seen, few seem sufficiently interested or astute to connect the dots. In reading these combined essays on this topic, it will greatly assist your understanding if you keep in mind that **the events and circumstances described herein were all deliberately created and implemented.** None of what you will be reading about, was an accident of fate or due to "economic circumstances beyond control". All was contrived for the above transitional purpose, and that transition is perhaps 80% completed in the US today. Read, and form your own judgment.

## The United States of Inequality



Among the more indelible impressions burned into my memory from a lifetime of travel is an image from the city center of Caracas, Venezuela, many years ago, seeing the grand display of the wealth of

the elite class, with their huge palatial homes and the nearby private airport containing all their private jets. I met one man who had two planes because whenever he needed to take a business trip, his wife had "taken the damn thing to Miami to go shopping again". That's half the image. The other half was more or less across the street from the first half, and consisted of the long and steep side of a mountain, with homes covering the slope for as far as the eye could see. But these were not really homes; they were shantytown hovels of only a few square meters in size, cobbled together from scraps of wood, metal, anything. Doors were simple openings in a wall, as were windows. Each home had a single electric light bulb with current supplied by a single cable that threaded its way up the slope between those thousands of residences. There were no roads, a single winding footpath providing the only access. Both toilet and garbage can were one of the downslope windows, the rubbish and excrement eventually making their way to the bottom of the mountain. And it wasn't only rubbish that made its way to the bottom. During heavy rains, the unanchored hovels would frequently lose their grip on the mountainside and thousands of homes with their occupants would find themselves gathered in a heap on the valley bottom. I have been unable to erase that memory of the opulent wealth and the heartbreaking abject poverty contained in the same single view of that city.

We can find much the same in many parts of America today, the only significant difference being that the US physically separates the two halves of the picture. Most visitors to the US, and indeed most residents of the US, will tend to see one picture or the other, but seldom both. The streets from our landscaped villas to our air-conditioned offices do not pass through the slums and tent cities. With a bit of planning and the absence of an adventurous spirit, it is easily possible to live your entire life in an American city and see only what you want to see. The city of Las Vegas in Nevada is probably the best example of overstated nouveau-rich opulence and gaudy excess in the world today, with the giant casinos casting a long and glitzy shadow. But Las Vegas also has one of the highest rates of home foreclosures and homelessness, not only in the US, but in the world. Almost within sight of the overwhelming wealth and glamour of the strip are some of the estimated 16,000 educated homeless people who have built shelters inside the city's 500 Kms of underground storm tunnels.<sup>[2]</sup><sup>[3]</sup> Heavy rains are infrequent in Vegas, but when they come, those storm sewers quickly fill with two or three meters of water and flow with as much force as any raging river, washing away every trace of the inhabitants and their belongings. Many die, but nobody knows how many.



These two paragraphs form an appropriate introduction to what in economics we dispassionately refer to as income disparity. It isn't a matter of you having more money than me, or having a three-story house far removed from my humble bungalow, or finding my ten-year old Ford Pinto parked beside your new Ferrari. This is a matter of living in another world entirely, eerily reminiscent of Caracas then and Las Vegas, Chicago or Detroit today. For 500 years, this disparity defined the urban landscape of the great United States of America, a pattern more or less unbroken except during the time of the new social contract that was born in 1946 and developed a terminal cancer in 1980. You will not be able to correctly understand this without an appreciation of the history of American labor and the 1946 social contract. **This is an article I urge you to read. [4] It is vital.**

**Joseph Stiglitz** wrote a compelling article that originally appeared in Vanity Fair, [5] on the problem of income inequality in the US, providing an intelligent explanation as to its causes, and a concerned illustration of its dangers to American society and to US political survival. He began by telling us, "It's no use pretending that what has obviously happened has not in fact happened". And what has happened is that the top 1% of Americans now take in 1/4 of all the nation's income every year, and control 40% of the nation's wealth. He tells us, and it is clearly true, that as a society becomes more divided in terms of wealth, the wealthy - who control the government - are more reluctant to spend money on what Stiglitz calls "common needs" - things like health care or education. The rich can provide for themselves and they tend to quickly lose empathy for those not as rich or fortunate as themselves. Greed and inhumanity are in control. Since these people control the government through their power, wealth and influence, they invest time and money to keep it weak lest it use its powers for the common good. **Stiglitz claims inequality exists because the top 1% want it that way**, and his point is impossible to argue.

The most commonly used, and most commonly accepted as fair, method to measure inequality of income or wealth is the GINI coefficient, which ranges from 0 to 1, with 0 being totally equal and anything above 0.5 considered excessive and socially dangerous. New York State is at 0.503, with the nation's capital, Washington, DC, at an astonishingly high index of 0.534, worse than most banana republics and, according to the US State Department, at a level where imminent revolution or civil war are almost assured.

In his article series on income inequality, **Timothy Noah** wrote,<sup>[6][7][8]</sup> "Giving the lie to popular American rhetoric, China, with a Gini coefficient of 0.415, is a significantly more equal society than is the US with a Gini of 0.450. **Income inequality is more severe in the US than it is in nearly all of West and North Africa, Europe, and Asia.** It is on par with some of the world's most troubled countries, many embroiled in severe social destabilisation. The US in fact ranks near the extreme low end of the inequality scale, comparable with a quite unflattering list of nations: Cameroon, Madagascar, Rwanda, Uganda, Mexico, Côte d'Ivoire, Serbia, Sri Lanka, Nepal, Uruguay, Ecuador, Argentina, Guyana, Nicaragua, and Venezuela. Income inequality is actually declining in many of these nations while it continues to increase in the United States. Today, incomes in the US are more unequal than in China, Canada, Germany, France, the UK and other nations. All my life I've heard Latin America described as a collection of failed societies because of its grotesque maldistribution of wealth. Peasants in rags beg for food outside the high walls of opulent villas, and so on. But according to the CIA, **income distribution in the United States is more unequal than in** Guyana, Nicaragua, and **Venezuela**, and roughly on par with Uruguay, Argentina, and Ecuador. Economically speaking, the country that once called itself "the richest nation on earth" is starting to resemble a banana republic. The main difference is that the United States is big enough to maintain geographic distance between the villa-dweller and the beggar."

During the post-war period until about 1980, the shares of income between the top and bottom remained constant, then the share going to the top 10% rapidly doubled by about 2000, and has increased markedly since then. Many writers have noted that income inequality in the US is at an historic high, surpassing even levels seen during the Great Depression, also noting that America has the highest income inequality of all developed nations. There are so many statistics that prove the shocking disparity in the US today, so many ways of presenting essentially the same numbers and conclusions, that the bitter social meaning is lost in the jumble. For example, the wealthiest 1% of all Americans own more wealth than the bottom 95% combined. The wealthiest 400 families in the United States have about as much wealth as the bottom 50% of all Americans combined. The six heirs of Wal-Mart founder Sam Walton have a net worth roughly equal to the bottom 30% of all Americans combined. The poorest 50% of all Americans collectively own just 2.5% of all the wealth in the United States.



I have written in several places that **the US FED's booms and busts have been deliberately contrived to facilitate massive transfers of wealth from the lower and middle classes to the top 1%.**<sup>[9]</sup> Here are some proofs of my claim: A recent UC Berkeley study demonstrated that "the top 1% captured 95% of the income gains in the first three years (after 2008)." If this isn't bad enough, in the first two years alone, from 2008 to 2010, the net wealth of the few hundred US Senators and Congressmen increased by more than 25% while the net average asset value of 100 million American families plummeted by 50%, and average family earnings fell by about 10%. **This was all part of their planned Great Transformation, begun in earnest during Reagan's watch.**

**Li Xiangyang**, dean of the *Chinese Academy of Social Sciences National Institute of International Studies*, said that America's capitalist economic system itself has made the rich-poor gap inevitable. The growing income inequality and declining middle class are perfectly correlated with the implementation of the neoliberal economic system that trashed the social contract that was the source of America's only real period of social prosperity. **Amy Traub**,<sup>[10]</sup> senior policy analyst of New York-based think tank Demos,<sup>[11]</sup> said "America's social contract, the promise to create opportunities and economic security for the hardworking and responsible, has been fundamentally shattered", as of course it has been. She also pointed out that during the post-war period until the late 1970s, wages grew simultaneously with labor productivity but since then wages have increased only by 5% while productivity increased by 75%.

In 2014, **Wu Chengliang** wrote in the *People's Daily* that US politicians either have little power to resolve income distribution or are afraid to touch the issue. He is correct on both counts. The secret government dictated neoliberalism and its precise effects, with US leaders from the President down not only powerless but genuinely afraid to challenge their handlers. Obama was quickly and soundly condemned in the media for daring to suggest to voters he wanted to "spread the wealth around", and that was just campaign talk; he wasn't even serious.

Lest you are tempted to dismiss my comment about the agenda of the secret government, I will remind you here of the statement by **Montagu Norman, the Governor of The Bank of England, (in the City of London)** in the *US Bankers Magazine*, Aug. 25, 1924:<sup>[12]</sup>

"Debts must be collected, mortgages foreclosed as rapidly as possible. When ... the common people lose their homes, they will become more docile and more easily governed through the strong arm of the government applied by a central power of wealth under leading financiers. These truths are well known among our principal men, who are now engaged in forming an imperialism to govern the world." In what way does his above comment not reflect the 2008 social disaster in the US?

Income disparity is a popular current topic, with so many commenting on the fundamental inequity in America, all pretending to "search for the causes" but mostly producing utopian mythical nonsense and only further confusing an issue that is at its core blindingly clear. I believe it was Arthur Okun<sup>[13]</sup> who wrote that "American society proclaims the worth of every human being", but the real truth is that the elites have so corrupted US economic rules that "the rich can feed their pets better than the poor can feed their children". According to **Stiglitz** again:

"None of this should come as a surprise – it is simply what happens when a society's wealth distribution becomes lopsided. The more divided a society becomes in terms of wealth, the more reluctant the wealthy become to spend money on common needs. The rich don't need to rely on government for parks or education or medical care or personal security – they can buy all these things for themselves. In the process, they become more distant from ordinary people, losing whatever empathy they may once have had."

**Gideon Rachman** wrote an excellent column for the *Financial Times* in which he ignored the myths and the propaganda, and described US economic facts as they are. I was impressed. He wrote that after five years with no recovery, 'reasonable people' have begun to wonder if Bernanke's real objectives were different than those in his official pronouncements. The stock markets have doubled or more while corporate earnings reached an all-time high of \$2.1 trillion, and the banks announced record profits of \$42 billion in only one quarter. "And, according to a new study by **Emmanuel Saez**, an economics professor at UC Berkeley, the top 10% of earners in the US captured more than half of total income in 2012, a level higher than any other

year since 1917. Meanwhile, 50 million people need food stamps to survive, labor's share of productivity gains have never been smaller, median household income has plummeted by 7.3 percent since the end of the recession, and 50 million Americans now live in poverty. Inequality – which is already at levels not seen since the Gilded Age – continues to widen at an accelerating pace while the battered and rudderless economy drifts from one crisis to another.”

So, the results are a greater concentration of wealth and political power. **Mike Whitney** wrote in an article in *Counterpunch* titled, *Crushing the Middle Class*:

“To pretend that the objectives of ZIRP and QE are different than these results they’ve produced, is laughable given the fact that they’ve been in place for more than 5 years without any significant change. This suggests that the Fed’s policies are doing what they were designed to do, shift more wealth: upwards to the uber-rich while political leaders dismantle vital safety net programs which protect ordinary working people from the ravages of unregulated capitalism. The Central Bank and the political establishment in Washington are working hand-in-hand to restructure the economy along the same lines as they would any third world banana republic. And that’s the real goal of the current policy.”

Dean Baker wrote an article in the *Huffington Post* titled, **"Inequality: Government Is a Perp, Not a Bystander"**:

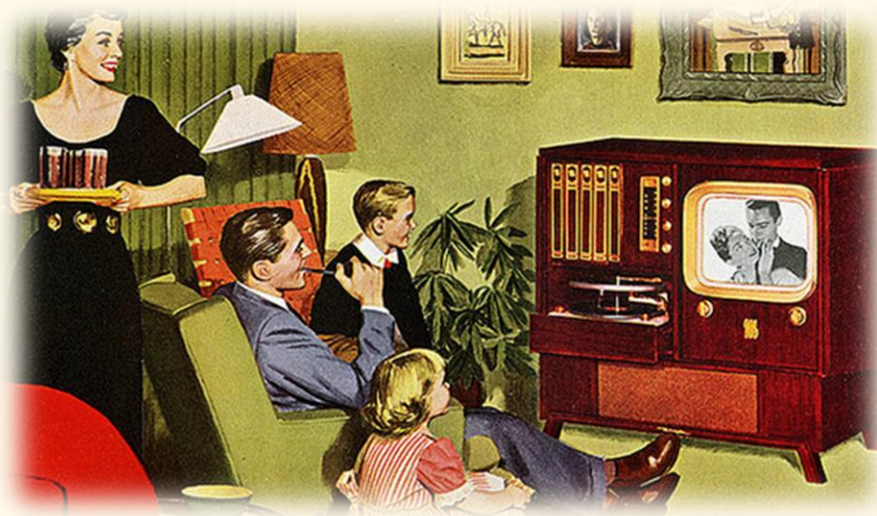
Congress and the president have decided to craft budgets that lead to tens of millions of people being unemployed or underemployed. High levels of unemployment put downward pressure on workers' wages, especially those in the bottom third of the labor force. This means we have a federal budget that limits growth and employment in a way that redistributes income upwards. So, inequality didn't just happen; it was the result of government policy.

In **Timothy Noah's** series on income inequality, he referred to a book (**The End of Equality**) written by a colleague of his in which it was stated that income inequality was the "inevitable outgrowth of ever more ruthlessly efficient markets". I would concur with that assessment. However, it isn't 'the markets' that are at fault, but rather those individuals proselytising the amoral bible of free markets, efficiency and profit maximisation, to the total exclusion of all other values. The author of that book, **Mickey Kaus**, [15] suggested combatting inequality by nurturing egalitarian institutions such as

national health care, removing them altogether from the "money sphere". Again, I would concur, though items like national health care, retirement pensions and social safety nets should be seen as necessary parts of the fabric of a civilised society rather than as weapons in a battle against evil. However, I disagree with his conclusion that you "cannot decide to keep all the nice parts of capitalism, and get rid of all the nasty ones." **Yes, you can. All you need is a government that has retained its social morality and sufficient independence from the influence of private interests - most primarily a Jewish privately-owned central bank (the FED). And, perhaps, the courage to do what needs to be done** - in this case, to rein in the nastier parts of both capitalists and their free-market capitalism.

Lastly, it is distressing to see the US media taking pains to distract and mislead the American people with yet more utopian propaganda rather than either remaining silent or telling the truth. The US government and its closest friends have spent the past 40 years reconfiguring the economy to loot the public treasury and every citizen's bank account and concentrate all that stolen wealth in increasingly fewer hands, taking the nation from one of the most equal to the one today with the greatest income disparity. And the media deal with this travesty mostly by distracting the attention of the increasingly-impooverished, boasting of the US having the largest number of billionaires, and therefore being "the world's richest nation with the greatest opportunities". Freedom of the press at its finest.

## So Long, Middle Class



Of course, **the net result of these policies is the evisceration of the American middle class which is being systematically wiped out of existence.** It isn't only that the rich are becoming richer, but that these Great Transformation policies are predatory in the extreme, deliberately targeting the middle and lower classes who are losing ground at a staggering rate. As mentioned earlier, **America's middle class lost about half of all its wealth and assets after 2007, and half of the entire middle class has already firmly descended into the lower class,** a financial and social pit from which there is no likely escape. With the economy still on life support and no recovery in sight after 14 years, with only low-wage and part-time jobs being created, the odds of recovery for those tens of millions of families are slim to non-existent. **Ron Unz** noted that the entire American middle class now hovers on the brink of insolvency,[\[16\]](#) but may have oversimplified in blaming the cost of foreign wars. Privatisations, bank bailouts and other factors bear much responsibility here; the middle class safely survived the Vietnam war and dozens of other expensive military adventures. The root cause is the deliberate launching of a class war, the conscious determination to drain and eliminate the middle class as a class. As bizarre as that statement may seem, the facts are everywhere and especially the FED's policies can be interpreted in no other way. **Deregulation, corporate tax changes, the massive deindustrialisation and outsourcing, Greenspan's "greater worker insecurity", Volker's astonishingly vicious recession, the financialisation of the economy, were all carefully and deliberately planned as a coordinated effort,** the eventual results of which were entirely predictable from the beginning.

In his article on the decline of America,[\[17\]](#)[\[18\]](#) **Peter van Buren** wrote,

"What's happening is both easy enough for a traveler to see and for an economist to measure. Median household income in 2012 was no higher than it had been a quarter-century earlier. Meanwhile, expenses had outpaced inflation. U.S. Census Bureau figures show that the income gap between rich and poor had widened to a more than four-decade record since the 1970s. The 50 million people in poverty remained the highest number since the Census Bureau began collecting that data 53 years ago. The gap between how much total wealth America's 1% of earners

control and what the rest of us have is even wider than even in the years preceding the Great Depression of 1929." In an especially appropriate comment, he wrote that we can argue over numbers and debate which statistics are most accurate, "or (we can) just drive around America: the trend lines and broad patterns, the shadows of our world of regime change, are sharply, sadly clear."[\[19\]](#) Over the last 40 years, a large majority of American workers have seen their real incomes stagnate or decline.

**Ron Unz** again:[\[20\]](#)

"Meanwhile, the rapid concentration of American wealth continues apace: the richest 1 percent of America's population now holds as much net wealth as the bottom 90–95 percent, and these trends may even be accelerating. A recent study revealed that during our supposed recovery of the last couple of years, 93 percent of the total increase in national income went to the top 1 percent, with an astonishing 37 percent being captured by just the wealthiest 0.01 percent of the population, 15,000 households in a nation of well over 300 million people."

He added that the wealth of all American households headed by those younger than 35, is now about 70% lower today than it was in 1984. For those who care to know, the British very much followed the Americans down the rabbit hole: In England, the rich are 64% richer today than before the recession, while the poor are 57% poorer.

The statistics become increasingly desperate with each passing year. One writer noted that in 2007, 43% of Americans lived from paycheck to paycheck; in 2008 this figure was already at 49%, and today it is well over 60%. "Not only have food stamps reached an astonishing high of 25% of the population, but more than 35% of American households receive some form of means-tested government help, or what we call welfare payments. As well, bankruptcies skyrocketed after 2007, increasingly catching the retired population in their net. Large numbers of Americans now have no pension plans or other savings and are increasingly postponing their retirements."



In 2013, the AP reported that four out of five Americans face near-poverty and unemployment, survey data indicating that 80% of all Americans are facing "severe economic struggles", and that now more than 50 million are living below the poverty line, a number that is almost certainly underestimated. Many economists and analysts have concluded that the current economic structure guarantees that unemployment "will remain unusually high for the foreseeable future", leading to "an extended period of rising poverty and declining income". So, the country that boasts of being the world's wealthiest nation and of having the largest number of millionaires and billionaires, also has the largest number of idle and working poor, both categories increasing by the year.

Another article noted that Americans are no longer at the top of car ownership, either. "According to a new paper on worldwide car usage, produced by the Carnegie Endowment, American per capita car ownership rates are actually among the lowest in the developed world.[\[21\]](#) Americans now rank 25th in the world, just above Ireland and just below Bahrain. Car ownership rates are closely tied to the size of the middle class. In fact, the paper actually measures car ownership rates to predict middle class size. Since Americans are buying fewer cars, this is another sign that the American middle class is rapidly declining."

## **Poverty, The Great Equaliser**



**Michael Snyder** produced a report in the Autumn of 2011[22][23] where he stated

"The number of those living in poverty in America is still growing by several million a year, and that is the largest increase that we have ever seen since the U.S. government began calculating poverty figures back in 1959. However, it is important to keep in mind that the government definition of poverty rises based on the rate of inflation. If inflation was still calculated the way that it was 30 or 40 years ago, the poverty line would be much, much higher and millions more Americans would be considered to be living in poverty." He noted too that health care costs as a percentage of personal consumption have almost doubled since 1980 and are one of the main reasons Americans are pushed into poverty, stating that "Most of us are just one major illness or disease from becoming financially wrecked, [since] one single medical bill could easily wipe out the finances of most people."

His report stated that the US child poverty rate, at 25%, is more than twice as high as the European nations, and that the elderly are also falling into poverty in staggering numbers, with sharply increasing bankruptcies. He ended with these words:

"America is fundamentally changing. It cannot be denied that America is getting poorer. Poverty is spreading and hopelessness and despair are rising. **We are in the midst of a long-term economic decline. We are entering an era of class warfare.** The rich and the moneyed corporate interests and the Republicans in their pockets have been quite bold about this: no healthcare or education for the poor."

From another report, in the city of Detroit today, 60 percent of all children are living in poverty, and close to 50% of all adults in the area are functionally illiterate. The child poverty rate in Cleveland is 50%, with the entire state of California at a staggering 27%, and Arizona and Nevada each at about 25%. The World Socialist Website stated that "child poverty in America is more widespread than at any time in the last 50 years. For all the claims of economic "recovery" in the United States, the reality for the new generation of the working class is one of ever-deeper social deprivation." Another survey documented that

almost 80% of all Americans are now living paycheck to paycheck at least part of the time, that almost half of all Americans have less than \$500 in savings and that almost 30% have no savings whatever. **The UK Guardian** detailed other studies and surveys concluding that almost 50% of all Americans are either considered to be "low income" or are living in poverty. According to the US Census Bureau, an all-time record 49% of all Americans live in a home where at least one person receives financial assistance from the federal government, with more than 100 million Americans enrolled in at least one means-tested government welfare program, not even counting Social Security or Medicare payments. The only good news is that the former racial disparities in poverty are apparently dissipating, whites today experiencing poverty almost as much as blacks and other minorities.

In early 2015, an article in the Huffington Post by **Rebecca Klein** quoted data from a report by the National Center for Education Statistics, documenting that 51% of all school children are living in poverty. She wrote that the report showed a steady increase in low-income households, poverty (and income disparity), growing from around 30% in the late 1980s to over 50% today. A map of this poverty was shocking, with the entire Southern half of the US, and most of the West with a poverty rate of over 50%. It was only the Mid-West and North-East with smaller rates. The report showed Mississippi with 71% of students living in poverty, and New Hampshire with the lowest rate of 27% - in what is supposedly "the richest nation in the world". These figures are unimaginable to people from all but the world's poorest nations.

One group produced a documentary titled '**American Winter**' which, as IMDB wrote in its summary, "presents an intimate snapshot of the state of the nation's economy as it is playing out in millions of American families, and highlights the human consequences of the decline of the middle class and the fracturing of the American Dream."[\[24\]](#) The producer stated:

"In making American Winter we saw first-hand how stressed and scared these parents are every day by the prospect of losing their homes, and by the daily struggle to pay their bills. However, the most overwhelming part was seeing the kids who have lost hope for their future. How can nearly half of our country be in such dire circumstances and **yet our politicians chose this time of the most need in 80 years to cut budgets and social**

**services** all across the country? Yet 46% of this country is living in poverty, or near poverty, and today we have the highest number of poor since we began keeping records. Imagine the richest nation in the world having that many people without enough money to buy food for the month. Could it be because the only consistent economic trend that sociologists-economists can find is the concentration of wealth, and power, in fewer and fewer hands?"

An article in the *Washington Post*[\[25\]](#)[\[26\]](#) stated that a majority of Americans are headed toward a retirement in which they will be financially worse off than their parents, an historic shift in a country that experienced generations of improvements in the lives of the elderly. This time appears to be firmly at an end, with few even contemplating cheery encouragements of a recovery. The article suggested that many elderly may be forced to live with their younger relatives. This arrangement is common and often welcome in more human societies as we find in China or Italy, but for an individualistic and selfish culture like that of the US, this may not be workable and would often end in disaster.

The article noted the severe lack of adequate pension benefits, either government or corporate, and that while tax incentives exist to encourage savings, one first requires an income. These incentives provide benefits mostly to upper-income earners who have extra money to save and invest, with most Americans no longer in this position. There are claims that **at least 65% of Americans near retirement age are planning to delay retirement for at least another five, and perhaps ten years, due to a lack of money.** Part of the cutbacks in social services in the US, as in some other Western countries, is in the national pension systems which are generally substantially underfunded and face the additional strains of longer life expectancy and low birthrate, all combining to make the fulfillment of pension obligations questionable if not impossible. The US, Canada, the UK are raising the retirement age from 65 to 70, thereby obtaining 5 more years of funding while paying out pensions for 5 years less. Countless millions of workers under the age of 50 will be exposed to these new rules. For those now retired, the picture is much bleaker because the die is already cast. High percentages of retirees are having to sell their homes to cover health expenses, and bankruptcies among the elderly are increasing at an alarming rate. And more similar articles in the *Washington Times* [\[27\]](#) and the *Guardian*.[\[28\]](#)

## The Richest Country's Empty Plates



### *Teaming Up to Tackle Child Hunger in Ohio*

*Up to 17 million children in the U.S. aren't getting the food they need*

In July of 2013, **Rose Aguilar** wrote a wonderful article for **Al-Jazeera**,[\[29\]](#) in which she discussed the dire hunger crisis that envelops the US today. In her article, she brought back a memory of something I had long forgotten, an event that so outraged the American public that the government was temporarily forced to respond with more humane policies. That event was a **1968 CBS special hour-long documentary called 'Hunger in America'**, [\[30\]](#) in which viewers literally watched a hospitalized child die of starvation. Nixon responded because the public outrage left him no choice, but Reagan quickly dismantled those improvements. **When Reagan came to power in 1980, there were 200 food banks in the US; ten years ago, there were more than 60,000**, all overwhelmed with demand and forced to ration their dispersals. To help muddy the waters, most websites today list the number of US food banks still at 200, but with more than 60,000 "pantries". Before 1980, one out of every 50 Americans was dependent on food stamps. Today, it is one out of 4. Before Reagan, there were 10 million hungry Americans; today there are more than 50 million and increasing. **A substantial part of the Great Transformation included not only tax cuts and**



**other benefits for the wealthy, but a simultaneous massive reduction in budgets for social programs** - in spite of the fact that Reagan and the secret government were creating the conditions that would desperately require those same social programs.

That 50 million hungry Americans today includes the **25% of all children in the US who go to sleep hungry every night**. About 25% of the American population today cannot buy sufficient food to remain healthy, with most of these being hungry for at least three months during each year. It is so bad **that many college students have resorted to what we call "dumpster-diving"** [\[31\]](#)[\[32\]](#) - looking in garbage bins for edible food. [\[33\]](#)[\[34\]](#)[\[35\]](#) In 2013, America's largest food bank in New York City delivered more than 35 million Kgs of food, and still 1.5 million of the city's 8 million inhabitants were hungry. After that CBS documentary and prior to Reagan's appearance, New York had almost no need for emergency food services, and had only 28 food agencies. Today that number is more than 1,000. The problem is so serious that many agencies fear that desperation for food will lead to increasing violence. By contrast, only about 5% of Chinese said there had been times during the previous 12 months when they had been hungry, while in the US that number is now 25% and still rising. **Maura Daly**, a social agency spokesperson said, "People have a lot of misimpressions about hunger in America. People think it's associated with homelessness when, in fact, it is working families, it's kids, it's the disabled."

Perhaps even more alarming was the release of study data in the middle of 2014 documenting that 25% of the US military members are also dependent on food stamps, food banks and other civilian welfare projects for their survival. After compiling four years of data, the nation's leading domestic hunger-relief charity, released its largest and most comprehensive study which showed, among other things that 15% of all Americans rely on food banks for all their basic nutrition. In other words, no other source of food. But perhaps the most shocking revelation was that 25% of military personnel were in the same financial position. Of course, the Pentagon was quick to take issue with the study's methodology, using statistical babble to cloak their embarrassment.



## Homes and Homelessness



It is difficult to obtain complete and fully reliable information on home foreclosures and repossessions in the US,[\[36\]](#)[\[37\]](#) various departments or authorities stating incompatible - and in many cases unbelievable - figures for the only apparent purpose of understating the numbers. For example, the total number of foreclosures for the period 2007 - 2014 has been variously stated as anywhere between 4 million and 25 million homes, with additional foreclosure filings between 8 million and 15 million, with estimates of likely future foreclosures also varying widely. [\[38\]](#)[\[39\]](#) I am satisfied that the lower figures are an understatement, and I suspect the higher numbers are much closer to the truth. But this doesn't tell the full story of home losses. There is a large but probably indeterminable number of homes in default on mortgage payments where the banks have chosen to not initiate foreclosure action for the moment, but all of which will have a bad end. In sum, it appears the circumstances in the US today are worse than those existing during the Great Depression.

And just as during the Great Depression of the 1930s, the US today is experiencing a surge in shantytowns,[\[40\]](#)[\[41\]](#) with millions of

unemployed and underemployed living in dilapidated shelters or in **tent cities** in parks or other vacant land. Tent cities are neither unusual nor isolated; they have been springing up everywhere throughout the US, a stark testimonial to the desperation of millions of Americans who are no longer able to support themselves properly. The countless millions who have lost their jobs and homes, and who have no options, are buying small tents or constructing makeshift shelters wherever they can. Many of these shantytowns or tent cities are home to more than 1,000 or 1,200 people each, and are still increasing by 50 and sometimes 100 per week. Even with my natural cynicism, I was astonished to see this "New World Order" so easily accepted by the authorities without even token resistance, to the point where **California admits that its massive tent cities [42][43][44] spread throughout the state are now "a permanent feature" and must be accepted as a normal and permanent part of the new transformed American society.**



One American wrote, "As a New Yorker, I am getting weary of seeing homeless on every street corner and passing ever-growing lines of people waiting for food handouts in midtown Manhattan where the abundance of wealth has failed miserably in its attempts to trickle down."

In 2014, **Wu Chengliang** from the *People's Daily* travelled to Washington, DC's largest shelter for homeless people and discovered it overflowing not only with the traditional homeless but with "professionals such as lawyers and accountants who are employed but cannot afford to pay rent". We are accustomed to thinking of the homeless as consisting of single individuals, usually male, sleeping in the streets, but this is not true today for the US where **the bulk of the homeless are educated families with children**. It is estimated that up to half a million small children are homeless in America today, as are more than a million public school students, a number that has been rising at 10% per year.

In one statistic that puts the lie to claims by the government and the FED of the recession ending in 2009, homelessness is still after so many years, increasing in the US by nearly 10% per year. In a recent comprehensive state-by-state report by both the US Department of Education and the National Center on Family Homelessness, the number of homeless children has surged in recent years to the point where **today one child in every 30 in America is sleeping in the streets**. The problem is apparently most severe in California, which has 20% of the nation's homeless children, more than 500,000. According to the reports, child homelessness in America increased by almost 10% from 2012 to 2013, with no sign of slowing, and about 40% of all homeless children are of pre-school age. The reports blamed the nation's high poverty rate and the lack of affordable housing, claiming the government had done little to help homeless families with children.



**William Blum** had this gem in one of his articles:

"In 2014 a federal appeals court ruled that the Los Angeles Police Department could not arrest people for sitting, lying or sleeping on public sidewalks because that enforcement amounted to 'cruel and unusual punishment' for the city's huge homeless population. Judge Pamela A. Rymer issued a strong dissent against the majority opinion, claiming that the Los Angeles code "does not punish people simply because they are homeless. It targets conduct – sitting, lying or sleeping on city sidewalks – that can be committed by those with homes as well as those without."

Or, as **Anatole France** wrote so beautifully almost 150 years ago,

**"The law, in its majestic equality, forbids the rich as well as the poor to sleep under bridges, to beg in the streets, and to steal bread."**

**Blum** also had this story, not so amusing:

"Now we have, if a photo were available, what could be an iconic image of the US war against the people of America, or at least against their health care – a paraplegic man, no wheelchair or walker, somehow propelling himself along a street in Los Angeles, a broken colostomy bag dangling from his piteous body, clothed in a soiled hospital gown, dragging a bag of his belongings in his clenched teeth.

This human being had been taken by *Hollywood Presbyterian Medical Center* to a homeless mission, which refused to accept him; the man then hurled himself from the hospital van to the street. Witnesses said that the van driver ignored their cries for help and instead applied makeup and perfume before speeding off. This is one of several cases in the recent past of "homeless dumping" in Los Angeles. It's all very understandable, from a bookkeeping point of view. The homeless missions have only so many beds, the hospitals have a budget and the debits and the



credits have to balance. It's what happens when a free market in a free society guarantees access to Coca Cola but not to health care. There are more people living on the street in Los Angeles County than in any other state in the country. Blocks and blocks of the downtown core are choked with people – not just men and women, but children, too – sitting next to their possessions with nowhere to go."

True to their ideological roots, American (Jewish-American) authorities deal with a social problem by criminalising it, often charging and arresting those who attempt to help the poor. After Raleigh, North Carolina, legislated food distribution to the poor only twice per year, local police arrested volunteers who were distributing food, the city's Mayor referring to the volunteers as "food terrorists". **More than 30 American cities have passed such laws that restrict food distribution to the needy, and will heavily penalise those who disobey.** Police in St. Petersburg, Florida, instead of arranging for the homeless to relocate, invaded the tent cities and destroyed the tents that were the only home for these families, using box cutters to rip the tents to shreds. And in California, in the heart of Silicon Valley, one of the symbols of all that is great about America, a homeless encampment containing many hundreds of people is being forcibly cleansed of its occupants who were given days to evacuate or be arrested for "trespassing". These are people who already have nothing, have no incomes and no place to live, and who have nothing to lose. Except their freedom, which is now under threat. Local officials offered to help these evacuees find "some kind of shelter for the night", but after that they were on their own with no place to live and no place that would permit them to sleep.

During the winter of 2013-2014, a Pentecostal Church in Rockford, Illinois opened a shelter for the city's homeless, but city officials charged the Pastor with criminal offenses because his church was violating the city's "**residential zoning laws**". In California, cities like Sacramento have declared tent cities illegal, citing concerns about 'public health and safety'. For those homeless who are fortunate to still have cars, sleeping in them is no longer an option in many US cities because bylaws are increasingly making this practice illegal. In Columbia, South Carolina, officials passed a law giving homeless people - a great many of whom are families with children - the option to either relocate, or get arrested. Tampa Bay, Florida, did the same. This isn't a complete surprise, since the US has always responded to its homeless in this way.

**During the Olympics in Atlanta, local authorities arrested and imprisoned about 10,000 blacks, to keep the streets clean for the television cameras; the internet appears to have been totally scrubbed on this issue.** As reported by *Reuters*, in late 2014 New York state health officials prevented a nonprofit group from providing free medical care to thousands of patients lacking health insurance. The group had raised \$3 million and enlisted hundreds of volunteer doctors and other medical workers to offer a range of health services, including dental care, new eyeglasses and other services, and had planned to treat about 7,000 patients. **However, the State Health Department told the group that free health services were not needed, in spite of clear facts that at least 20% of New Yorkers lack health insurance and cannot afford medical care.** Department officials claimed they "were just doing their job of protecting the public".

In July of 2014 a church in Los Angeles called police to arrest a homeless man for eating some cookies. The man had entered the church building to ask about free meals, noticed the cookie jar while he was waiting, and ate a few. The Church said they had the man arrested because they had his interests at heart. The arrest would place the man into California's private prison system "where he could find help". In another case in Florida, a homeless man showed a reporter a ticket given to him by local police, with the charge of "Feet in Roadway Disturbing Traffic". **Many American cities follow the same process of criminalising poverty and vacuuming up the poor and homeless for the private prison system.** The cities deny the claim but the evidence is everywhere of increasing police harassment and yet more mean-spirited laws meant only to drive these people into a forest somewhere or into prison, perhaps for life. **Many laws make it illegal for churches and other organisations to serve meals to the homeless, even to families with children.** Even simple acts like sitting or lying in a park are sufficient for arrest and imprisonment. America is rapidly becoming one of the most heartless nations in the world.

This is an aside from Canada, but a circumstance which must exist also in the US though I haven't researched it. Many years ago, the homes built in Canada usually or often had an attic and also often a detached garage also with an attic. These elevated spaces often had separate outdoor entrances, and were rented inexpensively to the unemployed, underemployed and indigent who would otherwise be homeless. And in those days, I cannot recall ever seeing a homeless person in my city



in Canada. Then **the same cruelty by the same people changed the landscape overnight.** Canadian cities uniformly suddenly passed new by-laws declaring residential areas as restricted to "single-family dwellings", thus making all such rentals illegal, and overnight hundreds of thousands became homeless, with no shelters, no social safety net, and no options other than to sleep in the streets. Of course, they rationalised their actions on the basis of public security, sanitation, humanity and much other nonsense, but **the actions were pure evil.**

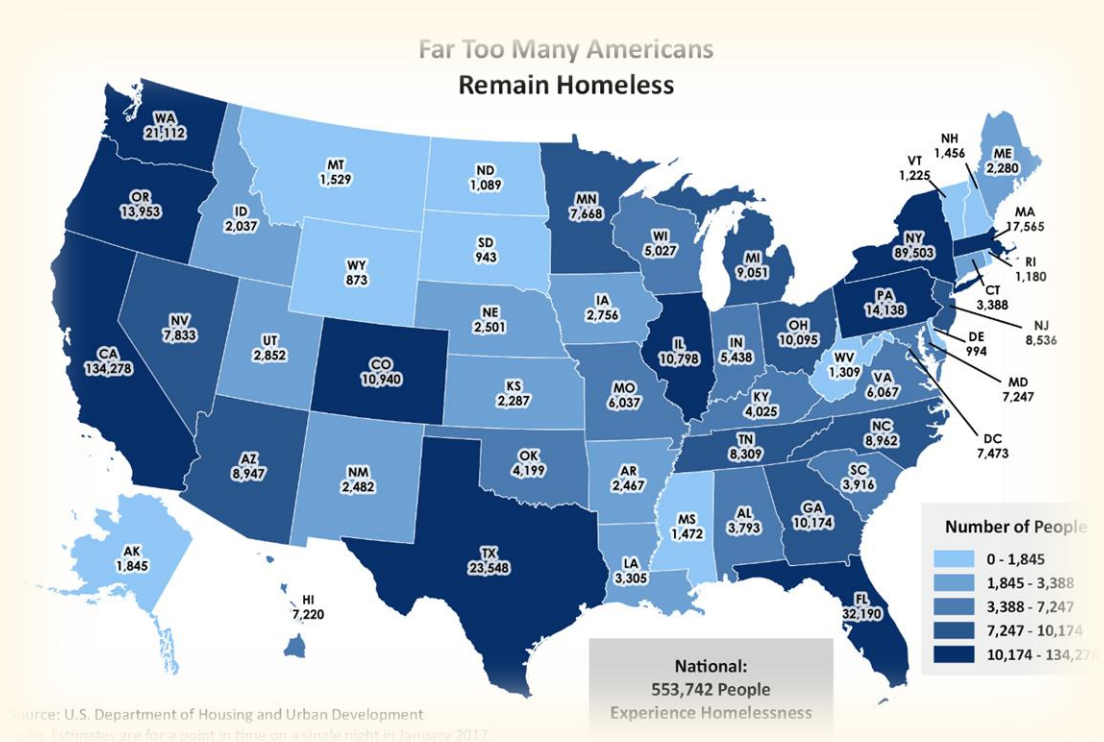
In the US, Canada, and parts of Europe, more than 40% of all young people under 30 now live with their parents, having moved back home because they cannot afford to live on their own. We have very high unemployment rates at this age range and housing costs are still rising appreciably, so many are returning to university, but the high costs of education almost demand parental support. The picture isn't much better for graduates. But having adult children at home isn't free, and many parents find they must delay their retirement and continue working to support their adult children and the related education costs.

The UK contains as many shattered dreams as does the US, though we hear little about this in the media. UK home ownership has reached its lowest level in 35 years and the chance of young people buying a home today is becoming slimmer by the month due to the same class warfare as exists in the US, reducing wages and credit. In both countries, owning a home is the privilege of the elites, no longer for the common people. If this isn't bad enough, UK homelessness has reached a 5-year high, with media articles detailing that people are now living in caves. Manchester has seen an almost 45% increase in homelessness in just one year, and the number of adults and families requesting charity support has more than doubled in only the past three years.

With its rather small population, the UK has more than 50,000 homeless families and another 5,000 families living in temporary bed and breakfast places where they can pay the small fees by the day. One executive said that many UK families were at the "breaking point". About 30% of all UK residents have had to cut back or eliminate their use of gas and electricity in order to afford their rent or mortgage payments. And 57% of all UK adults, and 65% of all families with children said they were struggling to pay their rent or mortgage. The UK Independent published an article in early 2015 reporting official government figures stating that at least 10% of the population were going hungry, and that "The cost of the basics in life – rent, food and

heating – has far outstripped headline inflation, earnings and benefit levels." **And all this was prior to Europe's new gas war with Russia in 2022.** The picture is much bleaker today.

## Home Ownership



For decades the US boasted of its high rate of home ownership that was never really as high as the statistics suggested, but nevertheless did increase with increasing wages and the building of the middle class, until the 1980s. **The Great Transformation changed that to the point where less than 60% of Americans own their own homes today**, with the percentage still falling, and highly unlikely to increase, with no improvement in the economy and only low-wage jobs available. The rate today is commonly stated at about 65%, which would make the US about 50th in the world,[45][46] but from examination of the raw data this rate seems exaggerated to me by as much as 10% to 15%; it is not easy to know for certain, and **a cloud of suspicion exists because the US so obviously falsifies all its other economic data.** [47]

As an indication of the degradation in wages and income from the 2008 disaster, the average family spent about 22% of its income on housing in 1950, but must spend 46% in 2014. The housing market is therefore dead, with purchase offers almost non-existent in many cities, **except from hedge funds who are buying up all the homes as rental properties.** I still recall **Warren Buffett** saying that the best investment in the US (after the contrived 2008 housing disaster) would be to buy "a couple of hundred thousand" repossessed homes and put them on the market as rental properties. **That was the plan. Think about this.**

Home ownership in the US is at the lowest in decades, in a generation, in fact. So many homes have been repossessed that in some states like Ohio, until recently 30 percent of all homes were bank-owned, and in Nevada more than 70% of all homes have mortgages greater than the property's market value. I have noted elsewhere that the **banks and vulture funds are now active in the US real estate market, buying up foreclosed homes at heavily reduced prices, and renting them out - often to the same people who lost them in 2008.** Given all this activity and, in what should be a shocking revelation, the banks and vulture funds today own a greater share of residential housing net worth in the US than do individual Americans. By contrast, China's home ownership rate has increased from 80% in the late 1990s to 93% today, with about 97% of rural dwellers and 85% of urban residents owning their own homes. This is a good place to ask ourselves which country has the more competent and humane government and the best economic policies.

The fallout from the 2008 crisis, and especially the financial destruction from the losses of homes, is far from over and will have a tail extending for perhaps another ten years. It used to be that when a homeowner suffered a financial disaster and could no longer meet mortgage payments, he could simply return the house to the bank and walk away, accepting his damaged credit rating as the price of a fresh start. No longer, because returning a house to a bank is not the same thing as the bank accepting that house - and many are refusing. When a bank completes a foreclosure on a house, it becomes responsible for all taxes, insurance, utilities and maintenance, and of course must then write down its asset - the mortgage - by the reduction in market value it can achieve on a sale. American banks have become increasingly reluctant to take this step, partly to avoid the heavy monthly carrying costs of so many unproductive assets and partly to avoid the heavy write-offs on their financial statements.

The result is that many US homeowners who abandoned their homes (and mortgages) as far back as 14 years ago have been surprised to discover that their bank never did complete the foreclosure requirements - even though the owners were evicted from their homes - and that they still bear full legal liability for more than a decade of taxes and other expenses which have never been paid. Many, after years of believing that house was in the past, are suddenly finding their wages garnished and their tax refunds seized by the banks. It is worth noting here that in the past, an inability to discharge one's debts in a timely manner was looked upon with scathing religious disapproval and moral condemnation - except for corporations. The banks in particular assaulted financially-troubled homeowners with their moral Christian responsibility to pay their debts, using everything from appeal to honor to threats of eternal damnation to protect their assets. But suddenly, with a crashed housing market and a flood of bad debts the bankers appear to have abandoned religion and are walking away from foreclosures with far more eagerness than homeowners ever had when walking away from mortgages. Ethics, it would appear, are relative. As someone wrote, banks harassed homeowners about "the importance of setting a good example for their children, and even about protecting the values of neighborhoods. Well, good examples and neighborhoods be damned. Now, if it's not in their economic interest to foreclose, they're not going to foreclose."

One sign of the long tail of the 2008 crisis is in **the nation's more than 50,000 storage companies**, a kind of condominium warehouse where people can rent space, perhaps 20 square meters, to store their surplus furniture and other belongings they prefer to not sell. The number of these firms has increased by ten times - 1,000% - since Reagan appeared, to the point where there are now more than 1,000 for each state, a truly remarkable development resulting from the losses of homes and forced relocation to smaller accommodation. These facilities probably store contents for something like 25 million or 30 million people. But even more remarkable is that these firms are now holding exploding numbers of auction sales of the contents of all these storage units, where the renters have been unable to pay even the very minimal monthly rental fee on their storage space. After being ejected from their homes in 2008 and 2009, homeowners transferred their remaining worldly possessions to these storage yards in the hope of one day having another residence and being able to continue. Clearly, those dreams are now dead.

## Jobs and Labor



US unemployment today is very high, nearly as high as during the great depression if we calculate the numbers without deceit, and yet the number of good jobs continues to shrink at an alarming rate to be replaced by low-wage and low-talent employment. One study demonstrated that there are actually fewer payroll jobs in the US today than there were in 2000, even though the population has grown by more than 30 million people since then. With the rapid and continuous shedding of high-value jobs, the number of the 'working poor' is correspondingly increasing rapidly, and the competition for all jobs has become fierce. Many qualified applicants tell of submitting 300 resumes each week, with no result, while even a single low-paying job can attract 1,000 applications. Those who are employed have lost so much financial ground they can no longer maintain a middle-class lifestyle even with their credit cards, and so **the mass migrational descent into the lower class is by no means complete**, as is true for the bankruptcies. The 2008 recession eliminated primarily high and middle-wage jobs, with almost half of all new employment at the lower end of the spectrum. Half of all American workers today earn less than \$2,000 per month. **The US government and its media mouthpieces speak of the Great Recession of 2007-2009, but this was always a lie.** It is in reality the Great Recession of 2007-2022 and counting. The claims of the recession having ended in 2009

are little more than a cheap propaganda trick to deceive the American people and deflect the blame. But the people do not seem to be fooled. In one recent survey, nearly 90% of respondents believe that (a) there will be no 'recovery' and no improvement in unemployment until "many years" have passed, or that (b) there would never be a recovery at all.

In July of 2013, **Mortimer Zuckerman** wrote a thoughtful and informed article for the **WSJ** titled The Full-Time Scandal of Part-Time America [48] in which he, a little too gently, devastated the US government's unemployment statistics by pointing out that the almost 300,000 'new jobs' created in June were mostly smoke, in that full-time jobs plunged by well over 500,000 while part-time labor increased by about 800,000, a distinction the Labor Bureau apparently found unworthy of mention. The sad truth is that low-paying jobs now account for almost half of all employment growth and even with that, less than 60% of Americans have a job of any kind. Zuckerman noted what he called 'a political contribution' to the job trend in that, after Obama's health care act mandated the provision of health insurance to all those working more than 30 hours per week, companies immediately cut workers' hours to less than 30, often dividing one full-time job into two part-time jobs, to avoid that benefit cost. **Keith Hall**, a senior researcher at George Mason University, said that **97% of net new job creation was in part-time work**, and we have seen much documentation that **less than 60% of all employable Americans have jobs**; 40% of the entire workforce is currently unemployed. That total is more than 100 million people, and may be worse because the government's statistical wizardry tells us the 60% is people who either have a job or "are looking for one". **It is only the statistically-induced fraud in the definitions that permits the government to claim a 7% unemployment rate.**

We've seen some feel-good rhetoric floating around about the US economic recovery, about house prices rising and the unemployment market improving, but that has all been smoke too. Perhaps the greatest fear is that **permanent, full-time jobs are passing into history as a feature of the American employment landscape.** Meanwhile, increasing numbers of Americans are dropping from the middle class to the lower classes, more than 25% of retirement-age individuals are postponing retirement due to a lack of funds, more than half of all retirees are either selling or fully mortgaging their homes to pay for medical expenses, more than half of young people under 35 are living at home with their parents because they cannot afford to live alone. More than two-thirds of American parents claim their children will have a poorer standard of living than they did. So much for the



American dream and the land of opportunity. Europe is not doing well, either, with the overall unemployment rate at 26 percent and youth unemployment rates at very high levels, Spain being the worst at almost 55%. I read reports that the French government was offering to pay 75% of the salaries for young people who are given jobs, but companies still will not hire.

Many large American companies are increasingly outsourcing their labor to **temp agencies** as a way to maintain worker insecurity, pay low wages and avoid the costs of benefits like Medicare, pensions, and even paid holidays. Many of these so-called 'temporary' workers are in fact full-time permanent employees who have been in the same job with the same firm for as long as ten years, but they will never be promoted to regular staff because of the greed for profits. This is one of the methods of profit maximisation firms like Coca-Cola and the American pharmaceutical companies are now importing to China, the same wage theft these firms practice in nations from the US to Guatemala. As I've already described elsewhere, **American universities, even though flush with cash in their endowment funds, have adopted the same formula for the same reasons, using temporary and contract teachers, so-called "adjunct professors" earning perhaps \$20,000 per year.**

Another institutionalised form of wage theft that has rapidly gained currency in the US - and which the Americans are desperately attempting to transplant to China - is the curse of **unpaid internships**.<sup>[49][50]</sup> These are meant to provide valuable work experience for young graduates and enhance their chances for employment, but the system doesn't work that way. There are countless stories of young people working one unpaid internship after another, but receiving no job training of any kind and of course never being offered a real job. There are now so many of these young unemployed perpetual interns in the US that they have apparently created a new kind of subculture, as someone put it, "like an army of worker ants with a distinct identity". Ross Perlin wrote a book on internships titled 'How to Earn Nothing and Learn Little' in which he noted that Labor Department regulations stipulate vocational education during internships and forbid firms substituting unpaid interns for paid employees. But the corporations find these regulations "highly open to interpretation", which means nothing will change.

It seems an unfortunate truth that the only real action in the US labor market today is in what is called '**The Task Rabbit Economy**' [51][52][53], that is, an online marketplace for odd jobs and chores. Here, desperate unemployed single mothers can find a few hours' work walking someone's dog, weeding a flower garden or cleaning a toilet, and earn enough money to buy some baby milk. According to the website, it is "a marketplace dedicated to empowering people to do what they love." Right. Unemployed teachers and accountants, cleaning toilets part-time so they can feed their infants - 'empowering me to do work I love'. The American Dream, indeed. These are what the excited media call "contingent" or "alternative employed" workers, which numbered about 20 million in 2005 and are estimated at as much as 60 million today. One columnist, clearly impressed by this new alternative economy, gushed that "What's diabolically brilliant ... is that prospective errand-runners bid against one another for jobs. To get an assignment, an aspiring Rabbit offers to do the chore for less money than he or she thinks other prospective Rabbits are bidding. That's what makes it a metaphor for the new economy, a dystopia where regular careers are vanishing, every worker is a freelancer, every labor transaction is a one-night stand, and we collude with one another to cut our wages."

As **Robert Kuttner** pointed out, "it brings back the 19th century, an era when most people who didn't farm or own property were casual labor", and he is precisely correct. Not only the US economy, but the entire American social landscape is being forcibly reverted to the conditions that existed prior to industrialisation, prior to the time when there were real full-time jobs. Another "runaway success story" is an online offering that permits the non-homeless poor to earn a few dollars by renting out a spare room by the day or the week. The website claims to have 350,000 willing hosts which, if true, indicates the US economy is in even worse condition than I imagined.

If the above substitutions for a real job aren't bad enough, we have a truly gifted offering from **Thomas Friedman of the New York Times**, in an article that offers a personal, private recession recovery for every American - have a garage sale. Sell the used junk in your house and, if you're lucky, retire. This is what he touchingly calls "**a sharing economy**", [54] and tells us excitedly - indeed, almost breathlessly - that this is "producing both new entrepreneurs and a new concept of ownership". According to him, by selling your unwanted junk, you as a consumer "are being "empowered" to value and sell your belongings in ways that weren't previously possible". I'm not sure about the last part, because we have had garage sales for as long as I can remember, but

let's not quibble. Also, it appears Friedman's understanding of the "new concept of ownership" is to sell what little you have and to no longer own anything. But again, let's not quibble.

Anyway, I'm actually being "empowered" to "value my belongings". According to Friedman, these junk sales are the  $E = mc^2$  of the new America: "These risk-takers never got the word that China will eat our lunch or Germany will eat our breakfast, so they just go out and start stuff, and build stuff, and invent stuff. They are part of a budding new economic activity called the sharing economy ... which **offers a new avenue for the middle class to create wealth and savings.**" Well, maybe, but I've had garage sales before, and I have to say I didn't think I was either starting, building, or inventing anything. I thought I was just selling junk. And in the aftermath, I don't recall having created anything that might have been categorised as either wealth or savings. It was more like take the kids to McDonald's. I have to say that a garage sale prompted by economic destitution and distress hardly seems to qualify as either entrepreneurial or inventive and innovative, much less wealth-building, but then Friedman is special in ways I won't even try to explain.

\*

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**[11] Amy Traub**

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# **Life in a Failed State**

## **Part 2**



**The Crumbling of America**

**America the Shrunken**

**The World's Richest Banana Republic**

**Abandoning the American Dream**

## The Crumbling of America



In June of 2013 an Interstate bridge on a main commercial corridor between Seattle, Washington and Vancouver, Canada, collapsed and fell into the river below after being hit by a truck. This was not a high-speed collision; the truck simply bumped one of the main support pillars at low speed, but the weakened and dilapidated pillar broke from the strain and, without that extra bit of support, the entire bridge immediately collapsed into the river. In prior examinations, the heavily-travelled bridge had not only been rated as functionally obsolete but structurally deficient and requiring replacement.

This is only one of thousands; the great majority of the physical infrastructure of the US is in a similar condition, involving roads, dams, bridges and more. More than 160,000 bridges in the US are officially categorized as dangerous, at risk of collapse, with such collapses now regularly occurring. [\[1\]](#)[\[2\]](#)[\[3\]](#)

Most American infrastructure was built in the early to mid-20th century, the continent having been simultaneously wired for electricity and phone service while constructing large projects like the Hoover Dam and the Golden Gate Bridge, as well as the interstate highway system along with thousands of smaller bridges, tunnels and more. But the US has spent almost no money on maintenance and repairs on any of this infrastructure for almost 60 years now, **all its money having**



been spent on wars and foreign military bases and bio-weapons labs. The situation today is dire and, in many instances, critical, but money is no longer available. Roads and highways alone require more than \$100 billion per year; bridges would require many hundreds of billions per year indefinitely. Most are reaching the end of their useful life and repairs alone will not suffice; replacement will become increasingly necessary.

**The American Society of Civil Engineers** produced a comprehensive evaluation report on America's entire infrastructure, which gave all but one item category a "D" grade, meaning unsatisfactory, inadequate, and in danger of failing. The list included drinking water, wastewater treatment and handling, the electric power grid, airports and aviation facilities, rail facilities and transportation, inland waterway transportation, roads and highways, bridges, dams, hazardous waste, schools and transit. **Each category received a D.** [4][5][6]

More than 4,000 dams in America were classified as unsafe and dangerous by the American Society of Civil Engineers, who noted that failures were increasing at a disturbing rate with about 40% of all US dam failures since 1875 having occurred in only the last ten years. In one year, 2004, in only one county in New Jersey, 30 different dams failed or were severely damaged due to heavy rainfall. In only one 5-year period ending in 2006, 130 major dams failed and the US experienced 1,000 of what the engineers called "dam incidents" which revealed deficiencies so serious as to threaten the integrity of the dam. In one major case, the US saved a dam only by opening the flood gates and releasing all the water. Engineers claim the number of unsafe dams is increasing much faster than those being repaired. [7][8]

Before Hurricane Katrina devastated New Orleans in 2005, engineers wanted to rebuild the levees to prevent their collapse, but the \$1 billion cost was unaffordable. After Katrina, the federal government had to spend \$17 billion on a poor-quality repair, leaving many of the original problems unresolved.

The US has more than 300,000 Kms. of highways, most of which were built in the 1940s and 1950s and which have seldom received adequate maintenance. In Washington, the nation's capital, 65% of all roads and

highways today require either substantial and expensive overhaul or total replacement. **Many US states today are tearing out their hard-surfaced highways, and reverting to gravel and dirt-surfaced roads** that were common in the 1950s, since the highways, like the bridges, are nearing the end of their useful lives but no money is available for the expensive repairs.

America's road tunnels are also in serious condition, including new ones which collapse with some regularity, as occurred in downtown Boston in 2006. As with many others, this collapse was not an "accident" as authorities initially claimed, but was proven to have been caused by inferior quality, substandard building materials and sloppy construction work, exacerbated by carelessness and incompetence – the same issues the US likes to claim are endemic to China. [\[9\]](#)[\[10\]](#)

Every year, America's aging sewer systems spill by some estimates millions of cubic meters of untreated sewage, contaminating freshwater rivers and creating enormous health hazards. The US power grid is increasingly unable to carry its loads, regularly disrupting the nation and leaving entire cities without power.

Derailments and other accidents now occur almost daily on America's dilapidated and unsafe rail network which, like the highways, has received only urgent patching rather than proper maintenance and repair. The same is true for subways and elevated inner-city rail systems like that in New York City; rickety, dirty, dangerous, and looking for a reason to collapse. Many of America's airports and railway stations compare unfavorably to those in third-world countries, and many of the nation's schools are not measurably better. [\[11\]](#)[\[12\]](#)[\[13\]](#)[\[14\]](#)[\[15\]](#)

As one measure, **China spends 9% of its GDP on infrastructure, while US infrastructure expenditures peaked at 3% almost 60 years ago and have been falling ever since.** Where China and other Western nations and developing countries have been increasing their investment in physical stock, the US has gone in the opposite direction, leaving a legacy of a crumbling nation already hopelessly in debt and without the means to change direction. [\[16\]](#)[\[17\]](#)[\[18\]](#)

It's worthy of note that various portions of the US government, the World Bank, the IMF, 'economics professors' like Michael Pettis, and others, voice a unanimous and increasingly strident insistence that China immediately abandon its capital investment infrastructure programs as 'unsustainable', and develop its economy in true American fashion by encouraging Chinese to max out their credit cards, thereby "rebalancing" China's economy in a "sustainable" fashion. And thus, joining the West in its imminent historic collapse.

There are two causal explanations for this massive deterioration in the American physical stock that exists in no other nation in the world. The first is clearly that for the past 60 years the US government spent its cash and ten trillion in borrowed money on wars of cannibalisation for the benefit of the top 1% who don't take the subway and aren't interested in your leaking sewers.

The second clear cause has been **the privatisation of the nation's infrastructure**. The bankers and private equity companies took control of much of America's physical stock solely to extract the value from those assets, a process not assisted by expenditures on maintenance, repair, or long-term investment. A toll highway for which private investors pay \$2 billion may provide an extraction of perhaps \$20 billion in profits, but repairs other than the most minimal and urgent cannot fit into this picture.

Based on the creed of profit maximisation, the most financially-sound plan is to calibrate maintenance and repairs to the precise extent that when the asset is returned at the end of the lease, its value will have depreciated to zero. In other words, **the asset itself is slowly cannibalised over the term of the lease, to enhance the profits**. But in a truly bizarre turn of events, US bankers and media supporters are now claiming that a solution to the US' overwhelming infrastructure problems is to transfer yet another \$500 billion in public assets to private owners.

## **America the Shrunken**

In May of 2014, **Frank Bruni** wrote an article for the NYT titled 'America the Shrunken', in which he detailed what he called "the downward arc of a diminished enterprise" that was the USA, quoting friends who claimed their children would live in a more impoverished America, that the reign was over and the slide was inevitable. The optimism and the arrogant swagger are mostly gone. He quoted Democratic strategist Doug Sosnik who wrote, "At the core of Americans' anger and alienation is the belief that the American dream is no longer attainable."[\[19\]](#) He wrote:

"For the first time in our country's history, there is more social mobility in Europe than in the United States. **More and more I get the sense that we've lost it. Everywhere you turn, the evidence mounts.** American schoolchildren aren't anywhere near the head of the international pack, and American adults, according to one recent study, lack the technical skills that peers in many other developed countries have. **American bridges crumble. American trains crawl. American flights leave from terminals that pale next to many Asian and European counterparts.**"

"Joe Biden acknowledged as much when he compared La Guardia Airport to a third-world country. I've been to La Guardia and I've been to Guatemala, and if I were Guatemala, I'd sue for defamation." [\[20\]](#) And again, "the middle class in America, which had long been the world's most affluent, wasn't anymore. Canada had overtaken us. My Times colleague Nicholas Kristof wrote about America's rank on a new "social progress index" that includes 132 countries. We're 39th in basic education, 34th in access to water and sanitation – access to water and sanitation! – and ... just two spots above Slovenia."

Also in May of 2014, **Peter van Buren** wrote an article titled **An Empire in Decline**, City by City, Town by Town, in which he related some of his travels through parts of the US today and compared them to their appearance in their prime – a time not very long ago. He began by writing: [\[21\]](#)

"As America's new economy starts to look more like the old economy of the Great Depression, the divide between rich and

poor, those who have made it and those who never will, seems to grow ever starker. I know. I've seen it first-hand, the cumulative effects of years of deindustrialization, declining salaries, absent benefits, and weakened unions, along with a rise in meth and alcohol abuse, a broad-based loss of good jobs, and soaring inequality seemed similar enough to me. The destruction of a way of life in the service of the goals of the 1%, whether in Iraq or at home, was hard to miss. I grew up in the Midwest at a time when the country still prided itself on having something of a conscience, when it was a place still built on hope and a widespread belief that a better future was anybody's potential birthright. Inequity was always there, and there were always rich people and poor people, but not in the ratios we see now in America. What I found in my travels was place after place being hollowed out as wealth went elsewhere and people came to realize that, odds on, life was likely to get worse, not better. For most people, what passed for hope for the future meant clinging to the same flat-lined life they now had.

Visit Atlantic City in 2014 and it's again a hollowed-out place. The once swanky mall built on one of the old amusement piers has more stores shuttered than open. Trump Plaza, a monument to excess and hubris, is now a catalog of decay. The pillows in the rooms smell of sweat, the corners of doors are chipped, many areas need a new coat of paint, and most of the bars and restaurants resemble the former Greyhound bus terminal a few blocks away. People covered with the street gravy that marks the homeless wander the casino, itself tawdry and too dimly lit to inspire fun. There were just too many people who were clearly carrying everything they owned in a backpack."

His visits and commentary extended to many locations he had known earlier, perhaps in his childhood, and all, in their own way, fit the description above. There are still some rich cities in America, and even some glitzy ones, but when we pull back the curtains and survey the entire stage, today we see a preponderance of decay. Detroit, Chicago, many California cities, much of Florida, and so many more with not only neighborhoods but entire counties and larger areas rotting from the inside. The great corporations are gone, the jobs are gone, the wealth is gone; only decaying skeletons remain to remind us of what once was. So much of America today is just junkyards, abandoned homes, lifeless slums, empty lots, rusting carcasses of factories, and homes full of despair.



"California has become a failed state. California's crisis is by no means unique. That dream is dead. Policies enacted in the second half of the 20th century ultimately undermined it. The tax revolt of the late 1970s dismantled the dream in order to enable a select few to continue enjoying it. Large corporations and the elites chose to restructure state government to cut off everyone else from public services while preserving their own subsidies." **Bill Bryson** said in an interview with the UK Telegraph: "America has, during my lifetime, engaged in long campaigns to make everything as ugly as possible. I just find that heartbreaking and disappointing." [22]

A cover story of **Time magazine** carried the headline **The Broken States of America**, in which it said:

"Schools, health services, libraries – and the salaries that go with them – are all on the chopping block as states and cities face their worst cash squeeze since the Great Depression. A nation that is good at destroying things – with wars overseas and mind-bogglingly self-destructive policies here at home – but that has lost sight of how to build and maintain a flourishing society. We're dismantling our public school system and, incredibly, attacking our useless system of higher education." [23]

According to a report by **Ken Klippenstein**, Detroit today has 60,000 to 70,000 empty buildings, many city blocks with only one or two remaining dilapidated homes that have not been demolished, and city services are almost non-existent. So much of the city is virtually uninhabited that the fire department can no longer afford to bother fighting fires, and bus service or other public services have been discontinued. The city is simply dying, officials begging residents to relocate to a high-density city core in a final bid to survive. It may be too late. **It is possible almost anywhere in Detroit today to buy a nice large home for only \$1 because the owner of a worthless property wants to escape the high taxes and maintenance or demolishing costs. There are no takers.**



American cities are not only crumbling; they are increasingly filing for bankruptcy. Stockton, California was one of the largest bankruptcies in recent history, and today, according to reports, has "piles of garbage in the central streets; barricaded entrances to once-luxurious shopping centers; homeless, drunken beggars; rampant crime; and an unemployment rate of 20 percent." San Bernardino, also in California, went bankrupt with debts of more than \$1 billion, as did Jefferson, Alabama, and of course the latest and largest being Detroit, General Motors' headquarters. This is the largest municipal bankruptcy ever in the US and, while this city may be the worst example, it is by no means the only similar example. But the bankers won't lose; they bullied the state and local governments to raid the public and private pension plans of the city's residents to repay their loans before the bankruptcy.

One American commenting on an article in the Wall Street Journal, wrote the following:

"I've said it again and I'll say it now, the US is in terminal decline. The fact that they have to run trillion-dollar deficits with 0% interest rates and QE infinity and can only get 2% growth proves my point. I give the US another 10 years before their giant debt-based Ponzi scheme comes crashing down and the United States economically collapses like the Soviet Union and the US might

even break up politically. I live here in the US, and I can tell you that there is absolutely no rule of law here, it's corrupt to the bone. The politicians are bought by interest groups and the Caucasian population is dumb as a doorknob."

Another commenter on the same article:

"As a Chinese living in America, I've seen the US and I can tell you this country has no future; the education system is failing, crime is off the scale, drug use is rampant, adultery is out of control, teen pregnancies are at all-time highs. The debt is actually a lot worse than the official numbers say, it's sometimes double or triple the official figure. The US government fudges its books to appear strong, don't believe a single number they say, it's all manipulated. Here in the US, there are two books, one book for the public and one for the officials. Vast majority of the innovation done here is all done by Asians, mostly from China. Nearly all the top universities are filled with Asian students. The white students just aren't smart enough or hardworking enough to beat the Asians. Anyone thinking this will be the century of America is beyond delusional. It's a country on the way down and fast. I give it another 10 years before this facade comes to a crashing and painful end. Folks you are witnessing the decline of the United States."

## The World's Richest Banana Republic



**Democracy as a form of representative 'government by the people' has never existed anywhere and certainly none exist today.** There is no so-called democracy today where the population has a voice in anything of consequence or where significant issues are even addressed, much less intelligently debated.

The sad truth is that democracies seldom attract the best or brightest individuals to any post, with political power increasingly accruing to either the power-hungry or the riff-raff who couldn't make it elsewhere. There is no shortage of examples. George Bush Jr. failed at everything he tried, except becoming President of the US. **Stephen Harper**, Canada's Prime Minister, finished high school, dropped out of university and got a job working in a corporate mail room. I was told it was the only job he could find, and it was only due to his father's connections that he got even that. Then, an unfortunate accident of a cruel fate made him the leader of a rump of a political party that happened to win an election, and he became the Prime Minister of Canada.

Australia and the UK have many comparable examples of inferior and substandard individuals taking leadership. Most politicians in democratic countries don't have the credentials to qualify them for management of a convenience store. Contrary to what most Americans would tell you, this is not a manifestation of the American Dream where anyone can rise to the top by hard work, but is instead a devastating indictment of the glaring shortcomings of the democratic system, demonstrating the ease with which **the incompetent and corrupt can obtain the power to destroy what was a perfectly good country.**

In large part because of this substandard human content, democratic governments have been overpowered by those who are the best and brightest - and the richest - generally the captains of industry and the military/espionage/industry complex, and by those with money - **the US FED, the (mostly Jewish) international bankers, AIPAC, the Jewish lobby and Israeli interests.** These powerful and wealthy private interests and special interest groups have taken almost full control of most democracies, their money and influence increasingly dictating the political and social agendas for these nations, agendas beneficial to them alone. All democratic governments to some extent, but again primarily the US, have essentially abandoned their responsibility as managers of their nations and societies, have lost the thread of the national good, instead relegating their nations to a condition of management for the benefit of private interests. That is why the US FED and the government spent trillions bailing out the banks that created the 2008 crisis, calling it a financial crisis instead of identifying it as the human disaster that it really was. The banks were not too big to fail; rather they were too well-connected to fail. The people, on the other hand, were irrelevant.

America's middle class was totally gutted by this humanitarian crisis, with tens of millions of families descending into what is now the largest lower-class percentage in any developed nation in the world. Today, a full 25% of the US population have a zero or negative net worth, are now living below the poverty line and cannot buy sufficient food without government aid. The US Gini index is now worse than those of many Central American and African nations, and the US is no longer included in a list of the top 10 most prosperous nations. A full two-thirds of US parents believe their childrens' future will be poorer than their own. From 1970 to 2008, top-tier incomes rose by 385%, second-tier by 141%. But the bottom 90% of Americans saw their incomes decline by more than 10% in real terms, and **the average income of this 90% of Americans is not the \$45,000 we read so often. It is only \$31,000 and dropping.** Those statistics are not reflective of a financial crisis, but of a humanitarian one, a fact that has gone unnoticed and unmentioned, the focus being entirely on the potential financial distress to US banks and large corporations.

**Ken Klippenstein** noted in an article that *"The idea that the United States has the highest standard of living in the world is one that is actually believed by numerous grownups in America, and most of them believe that this highest standard applies across the board. The same lack of awareness about superior conditions in other countries extends to health care, working hours, vacation time, maternity leave, child care, unemployment insurance, and a host of other social and economic benefits. In short, amongst the developed nations, the United States is the worst place to be a worker, to be sick, to seek a university education, to be a parent; or, in the land of two million incarcerated, to exercise certain rights or be a defendant in court."* [\[24\]](#)

In terms of infant mortality and life expectancy, the US is very far down the list, with average life expectancy 50th in the world - just above Albania, and infant mortality 46th in the world - worse than Slovenia. But this is only part of the story. As I've already outlined, the US has massive racial differentials included in income and other disparities. US statistics for both longevity and infant mortality are far more favorable for whites with money. It isn't the rich Jewish kids who are dying early - it's the poor whites, the Mexicans, Puerto Ricans, Cubans and blacks. I have to say these statistics remind me of Defense Secretary **Robert McNamara's "Project 100,000"** program designed to depopulate the US of several hundred thousand mentally-retarded young men by sending them to Vietnam as cannon fodder.



In one of his excellent articles, **Joseph Stiglitz** wrote that the facts are everywhere, in the lobbying, vote-buying and extreme pressure on tax policy, lax enforcement of anti-trust laws, manipulation of the financial system, and an almost 100% immunity for corporations and their executives to not only loot the nation and the people but to be held harmless for their crimes. The US Supreme Court has now enshrined the right of large corporations and their executives to buy politicians and the government, by removing limitations on campaign spending. **Virtually all the politicians in the US are kept in office by this top 1%,** and are rewarded well for their servitude - not to the nation, as per the oath of office they took, but to those who bought and paid for their election campaigns. [\[25\]](#)[\[26\]](#)[\[27\]](#)[\[28\]](#)

Stiglitz points out too, that most of the key executive-branch policymakers on trade and economic policy also come from the top 1%, and the assistance they provide to their friends in plundering the nation's treasury is almost breathless. As an example, these people gave the large pharmaceutical companies a trillion-dollar gift which went totally unnoticed (or unappreciated) by the general population. The US government, through its national Medicare programs, is the largest buyer of medications in the country. But this group of friends coerced their paid lackeys in government to pass a law preventing the government from bargaining over price, and being forced to pay the highest prices for brand-name drugs when generic substitutions would save billions in the federal treasury. Moreover, the government cannot even look for 'volume discounts' from these pharma companies. If that isn't a good example of effective total control by money and corporations over a government of the people, I cannot imagine what would be.

This same 1% has enough power and influence that many of their paid politicians will attach to any proposed law or bill a provision for yet more tax cuts for the rich. Refusal to approve this add-on would kill any passage of legislation. That is the way the system works. It was the same with the recent US health care legislation. A large part of the reason that the US Health Care System is so expensive and inefficient is that private insurance companies control the system. Americans cannot simply obtain health care at cost. They must buy insurance policies from companies that double the cost. Of course, it is financially disastrous for the nation and the people, but highly profitable for a handful of individuals in this top 1%. And since they have bought and paid for the politicians who make the laws, their position is secure.

At the end, Stiglitz makes a serious point, but I fear he might as well be wailing in a forest somewhere because there are no powers remaining in the US that would listen to his plea. He tells us: "Of all the costs imposed on our society by the top 1%, perhaps the greatest is this: the erosion of our sense of identity, in which fair play, equality of opportunity, and a sense of community are so important. America has long prided itself on being a fair society, where everyone has an equal chance of getting ahead, but the statistics suggest otherwise: the chances of a poor citizen, or even a middle-class citizen, making it to the top in America are smaller than in many countries of Europe." I would add that the chances of a poor citizen reaching the middle class are also far higher in China than in the US. **The American Dream has been killed by the 1%.** In contrast, the China Dream is only just beginning.

**Timothy Noah** produced a well-written series of 10 articles titled "The United States of Inequality", [\[29\]](#)[\[30\]](#)[\[31\]](#) in which he examines the various causes of the alarming decline in income equality in the US. In these articles, he attributed the blame for this development as follows:

- **International Bankers and pampering of the Rich: 30%**
- **Failure of the education system: 30%**
- **Decline of labor: 20%**
- **Trade and Tax policies: 15%**

Mr. Noah's examination was excellent and well-thought out, but he failed to make the one most important link, the cause that was so obvious to Stiglitz, that link being that the steady and increasingly rapid decline in income inequality in the US was not an accident, but occurred primarily because the top 1% wanted it and caused it. To clarify, the US top 1% exerted every manner of influence, including buying politicians and votes, to feather their own nests. An inherent and necessary part of this process was the destruction of labor and wages, the financial strangulation of the US educational system, and the skewing of tax policies and international trade practices to favor only this same 1%.

The great 'hollowing-out' or the gutting, of American manufacturing did not occur because "China stole the jobs" as the 1% were so fond of claiming, but because this same group negotiated from the US

government an enormous tax break - **specifically that any profits earned (and kept) outside the US would be tax-free.** The only possible result of such a success should have been immediately clear to everyone, that the multi-nationals would fire their employees, close their factories, and move production offshore. It was the Mattels and the Levi's and the General Motors, and countless firms like them who gutted American manufacturing, eliminating millions if not tens of millions of middle-class jobs and totally eviscerating America's middle class. And these same firms today, with their countless billions of dollars in profits remaining overseas, are now pressuring the US government to permit them to bring home all those profits on a tax-free basis on the unbelievably disingenuous basis that they would use them "to create more jobs". But of course they won't create any jobs. What they will do is repatriate their profits, pay small taxes on capital gains or dividends, and pocket the money to be used to further their destruction of American society.

This story is now playing out in parts of Europe as well, including unfortunately Germany, the one country that seemed immune to the inhumanity of Western capitalism. But the Germans have since lost their brains and permitted the Americans and the European non-accountable bankers to bully them into abandoning education and labor and heading down the same anti-social road as the rest of the New World Order warmongers. It used to be that in many European countries, the people were more important than profits. Sadly, they will soon no longer be able to make this claim.

We have already seen that US economic growth was greater prior to 1980, even though marginal tax rates were much higher, but those who manipulated Congress and the White House for minimal tax rates were not interested in growth; they were interested in rents. The new tax system was designed by the top 1% to encourage financial profits rather than those from the real economy, in fact designed for those who make money from money by penalising those who don't. It was designed to be extractive in the same way as its beneficiaries, to encourage what is called rent-seeking. As well, the post-war social contract effectively redistributed coins from the private rather than the public purse, eliminating income disparity and producing real wealth while drastically reducing any need for public redistribution, but those days too are gone. Stiglitz noted in an article that part of the US' poor economic performance is due to distortions caused by the tax system but, as with the US Justice System and so much else in America, it isn't that the tax system is not working; the system is working perfectly as intended. The rent-seeking did not occur because the tax system

changed; the reverse is instead true. The tax system was changed to permit the top 1%, who are all rent-seekers, to take advantage of it.

**One of the tragic, at least to me, elements in the vast economic and social charade which is the US today, is the degree to which people have been so blinded by propaganda and the foolish utopian narrative that they look but can no longer see. The volume of interconnected bits is everywhere to be found, but almost no one appears able to connect them.**

One American wrote:

"It is the job of the American people to hold their elected officials accountable, and vote for the politicians that support the policies that we as a nation know are right, or at least vote against policies that have been tried and failed".

What must happen for him to finally realise that "the American people" are as irrelevant as their votes, that the politicians have been pre-selected primarily for their willingness to betray the people to those who bought and paid for their loyalty, that a choice of two clones selected by others, is no choice at all. What must happen for 'the people' to realise they have no power whatever to change the course of their government nor to affect any of its policies in any meaningful way?

And, as is so typical, the US media are of one voice in their effort to mislead Americans and the world as to the cause and ultimate responsibility of this enormous disaster by repeated attempts to deflect the blame to the people and the lower levels of society. As late as December of 2014, **Hunter Schwartz** wrote an article in the **Washington Post** claiming that it was "the worst-run" states that were hit hardest by the "housing crash". [\[32\]](#) Quoting some list compiled by 24/7 Wall Street, he listed the states' credit ratings, household incomes, per-capita debt and other factors as being highly correlated with home losses from the banker-induced fraud, effectively accusing these state governments of gross mismanagement and on this basis blaming them for the losses suffered by their populations,

ignoring the simple fact that the debacle was created at the federal level and disingenuously leaving readers to conclude that correlation equates to causality. Once again, a nation built on lies.

Stiglitz wrote, "We must end the rent-seeking society ... in which the wealthy obtain profits by manipulating the system". He must surely know this is no longer possible. The gravy train is moving too quickly for anyone to jump off, and most passengers paid a high price for their tickets. Everyone will now stay on the train until it derails - as it soon must. Stiglitz ended his article by saying, "If Americans believe that government is unfair - that ours is a government of the 1%, then faith in our democracy will surely perish." But he's wrong here. It isn't faith in the democracy that will perish, but the democracy itself. The leaders, the puppets whose strings are being pulled, will continue to broadcast the narrative of patriotic utopian ideals up to and during the final crash, ending in a one-party fascist state. Stiglitz again: "America now has the highest income inequality and the least equality of opportunity. This is a gross inversion of America's traditional meritocratic ideals - ideals that our leaders, across the spectrum, continue to profess." And 'profess' is all they do.

In his 'Inequality is Not Inevitable' article, Stiglitz refers to Thomas Piketty's book, *Capital in the Twenty-First Century*, dismissing conclusions that "violent extremes of wealth and income are inherent to capitalism", preferring instead to claim that the US simply became complacent and lazy after a period of relative comfort and "winning" the cold war. He says some drew the wrong lessons from the cold war, or that the US went from too much government to not enough. He outlined well and clearly the economic symptoms and problems afflicting the US today: privatising profits and socialising losses, the American political system over-run with money, the repeating cycle of political and income inequality. He mentions monopolies and oligopolies that eliminate competition and magnify profits, the nefarious combination of ideology and corporate or financial interests, the deep ideological hypocrisy infecting the system, economic segregation and stratification, the increased economic power of the top 1%, the two-tier justice system, and much more.

Then, leaving the symptoms, he identifies the root cause when he writes, "The problem of inequality is not so much a matter of technical economics. It's really a problem of practical politics." But in all of this clarity, Stiglitz seems to do what everyone else does; either he looks

and doesn't see, or he looks and doesn't want to see. From his last paragraph: "We have located the underlying source of the problem: political inequities and policies that have commodified and corrupted our democracy. It is only engaged citizens who can fight to restore a fairer America ... Widening and deepening inequality is not driven by immutable economic laws, but by laws we have written ourselves." And in these last three sentences he trivialised everything else he wrote and ensured that no good would possibly come from it. The man ignored all his own facts. I have no doubt his intentions were honorable, but he did no more than beat around the bush, offer some utopian platitudes, and resign. **Any "engaged citizens" who would today dare to "fight to restore a fairer America" will find themselves beaten to death by the police.**

Stiglitz makes the same kind of argument as the corporate apologists who tell us a nameless, undefinable amoeba made all those criminal decisions. It is true, as he claimed, that the US political system (the grand democracy) is terribly corrupted and polluted, but that corruption wasn't caused by nameless, amoeba-like 'inequitable political policies'. **It was caused by people, real, live, identifiable people, who bought Congress and who control the White House, the puppet-masters pulling the strings, Bernays' secret government.**

**It was not done by 'laws we have written ourselves' but by laws written for us by the powers behind the throne,** the same powers that control the political parties and the selection, financing, media promotion, and election, of candidates. It was Citibank and Jamie Dimon of JP Morgan who wrote the legislation that will now forever saddle American taxpayers with all the losses of the fraudulent schemes of these same bankers. To suggest that 'engaged citizens' can fight to restore America is to be either willfully blind or shamefully naive. **The Occupy Wall Street movement consisted of 'engaged citizens' who today are still nursing their wounds inflicted by the brutal suppression at the hands of the police,** and who are either in prison or bankrupt from the costs of their legal defense, who are on both the government's no-fly and no-hire lists, and who paid a heavy price for nothing.

What Stiglitz so clearly identified - and then promptly ignored - is that a very small handful of the powerful rich, those I call the handlers and puppet-masters, deliberately planned that 'commodification and



corruption' of the government in the service of their own agenda. **These people are now so deeply entrenched they will never willingly remove themselves, and there is no remaining power anywhere in America sufficient to forcibly remove them.** And that means a new social contract is as dead as is the American Dream. In any democracy, polling stations are useless as catalysts for change, with the only productive alternative being the streets. That was the only thing that worked for Americans in 1946, but it will not work this time. **In 1946 the US government didn't have its 800 internment camps and Homeland Security didn't have its three billion bullets.**

## Abandoning the American Dream



The propaganda machine tells us that people from all countries in the world aspire to US citizenship, and while some foreigners do indeed emigrate to the US, increasing thousands of Americans are renouncing their American citizenship each year, this exodus having increased by 800% over the past four years. [\[33\]](#)[\[34\]](#)[\[35\]](#) This trend, a quite unpleasant truth for the US government, does not fit with the widely publicized image of the US as a country that everybody wants to live in. On the expatriate blogs and forums there is almost a firestorm of commentary from Americans considering renouncing their citizenship. One Hong Kong immigration lawyer said that when he began his law practice 30 years ago, many people were excited about moving to the US, but now more than half of his clients are Americans who want to abandon the American Dream and become citizens of other countries. Certainly, part of the problem is the US tax regime, with its onerous

and often poorly-understood implications for expats, though there are many more reasons.

But the US does not let these 'defectors' go quietly into the night. The procedures for renouncing American citizenship are difficult, complicated and expensive, to say nothing of potentially embarrassing. To renounce US citizenship, one must attend repeated interviews - permissible only at a US embassy abroad where one must subject oneself to multiple scoldings and propaganda speeches about the great loss this decision entails, prove that the decision was not made under duress, complete a large swath of documents, and attend a formal session where one pays a hefty fee and the citizenship is renounced under oath. Several months later we finally receive a certificate testifying to the loss of citizenship, after which the financial penalties arise. First, there is an "exit tax"; the IRS assesses one's total worldwide assets, assumes they were sold at full market value on the day of renunciation and taxes any gain at 15% to 30%, with astonishingly severe penalties that can easily include ten years' imprisonment if all foreign assets and income have not been properly declared.

Then we have the "perp walk". Unlike the practice in 'authoritarian' regimes where governments resent emigration, democratic America permits you to leave but does its best to paint you as a traitor and humiliate you in public for escaping the sinking ship. About 20 years ago the US introduced a law dictating the publishing of the names of American emigrants, having one's personal decision posted for the world to see. According to those who have examined the emigration data, there appears to be ample evidence that this "naming and shaming" contains a political component in that some names feature much more prominently than others on this register of the excommunicated. Of course, the US Treasury Department cannot escape the accusation that such publication is petty and malicious and serves no purpose other than ideological retaliation, but excuses itself on the basis that it is "obligated by law" to publish the names. **So, I write a law that obligates me to publicly humiliate you and justify my action on the basis that I am required by law to do so. Only in America.** If this isn't sufficient retaliation against those with the clarity of thought to know when to get out, legislation is now pending that would prohibit these deserters from ever being able to return to the US.

And it isn't only American individuals wanting to leave. In 2012, citizens in all 50 US states filed petitions to have their state secede from the US and become independent. In the US, petitions containing high numbers of signatures will force a judicial review of the content of the petition, and may force a vote. In this case, Americans in the 50 states filed a total of 70 secession petitions and, if that isn't enough, many cities filed petitions to secede from their state. It is quite unlikely anything concrete will result from these attempts, but it does indicate disenchantment with the state of things in America and many people are discussing secession, which is itself remarkable. And this is not the first time; US citizens have filed these petitions on several prior occasions with increasing participation each time. US Congressman Ron Paul predicted that states might exercise their right to secede when the dollar finally collapses, and other observers have written that the US, like the Soviet Union, may finally break up when the systemic corruption, increasing social inequalities and the fears generated by the increasingly police-state strategies lead to a breakdown of basic systems.

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# American Exceptionalism



**"Welcome to America, the Land of Freedom"**, read the signs at Washington, DC's international airport as you line up to have your fingerprints taken and your body cavities searched for mini nuclear devices.

I could have titled this article "Setting the Cat among the Pigeons". In an attempt to forestall the expected avalanche of disagreement, I confirm my awareness of statistics produced by a wide range of individuals and institutions of widely-varying intent and ideology, and which can "prove" almost anything one cares to prove, GINI coefficients being one easy example. **The statistics on which this article is based were not selected carelessly and are not invalidated by a reader's disaffection.**

## The United States Is the Best Only at Being the Worst

The US today has the greatest **income inequality** of all Western nations (1) (2), surpassing China and more than a few undeveloped nations as well. From this, it has the lowest **social mobility** of most nations (3), meaning that improving one's station in life is becoming increasingly impossible. If your parents are not educated and wealthy, you will never be either, and **the American Dream is dead**. The US today has the smallest **middle class** and the largest **lower class** of all major nations, the middle class having been mostly eviscerated in 2008, that process completing itself today, and will probably never now recover. Americans carry the largest amount of **personal debt** among all nations (4), including **credit card debt** and increasingly unrepayable **student loans**, and the US now leads the world in **personal bankruptcies** (5). Since 2008, according to the US government's own statistics, the US has the lowest percentage of **home ownership** at 57% (6), ranked 43rd in the world, far below China at 90% (7), and America now has a virtual epidemic of **homelessness** compared to most other nations, with untabulated millions of **homeless families with children**.

The **poverty rate** in the US is extraordinary, with official statistics placing this number at 13% but in reality with more than 25% of the population living below the poverty line, in most cases far below (8). It also has the highest percentage of **children living in poverty**, and with almost a third of all US citizens dependent on food stamps and other government aid to survive (9). **Unemployment** is also extraordinary. According to the government's own statistics, fully 40% of working-age Americans have no job (10) (11), with many of the rest **under-employed**, working only part-time. It is only American cities or those in the most impoverished of nations that contain such vast **areas of urban decay** and **desperate slums** like those of Detroit and Chicago, where half of the areas are violent crime-ridden wastelands where no one goes.

The US has the highest **educational costs**, and yet the poorest overall **quality of education** in the developed world and parts of the rest. Read this article (12). It will open your eyes. A few good schools or universities in an entire nation do not make it a world leader, the proof residing in the highest level of **functional illiteracy** of all major nations (25%) and a truly legendary **level of ignorance** (13). The US is the only country in the world where, in repeated polls for the past

60 years, a full 75% of the adult and student populations cannot find their own country on a map of the world (14). Compared to other nations, the US has the highest **health care costs** by a factor of two to ten, and yet has a surprisingly **poor overall quality** as well as the highest percentage of a population without health care (15). The US has the highest **infant mortality** rate and the shortest **life expectancy** at birth of all major nations and far below many others (16) (17), ranking around 50 in a list of countries. The US has the highest **obesity** rate of all nations, with nearly half of the population being overweight (18), one of the highest rates of **sexually-transmitted diseases** (19), of anti-depressant **drug use** that increased by 65% in only 15 years (20), a national crisis in **opioid drug use** (21) and of **depression**. It has the highest **teen-age pregnancy and abortion** rates of all developed nations (22), and one of the highest **divorce** rates (23)(24). Note that in many international studies US statistics aren't collected because, as observers noted "The authors left out the US because the country is "an extreme outlier." The US also has the largest number of **one-person households** (about 30%) (25) (26), and the largest percentage of **fatherless children** (about 25%) (27).

America is one of the two most **racist** countries in the world, where even the random and unprovoked killing of non-whites is not only permissible but usually meets with approval. **Americans are gun-crazy, owning more guns than the entire rest of the world combined, and more guns than all the world's police and military.** They carry their guns everywhere, and use them everywhere, the US having the highest rates of **gun shootings and murders** of any nation, with more than 20 small children and more than 200 adults being sent each day to either the hospital or the cemetery. Many small American cities, like the nation's capital of Washington DC with only half a million people, or places like Detroit or Chicago, have more murders each year (by an order of magnitude) than does Shanghai with 25 million people. The overall **homicide rate** for China is 0.6 and for Shanghai 0.2; that for the US is 4.0. The gun death rate for children in the US is 40 times higher than for any other nation in the world (28)(29) The US also has the highest number of **crimes committed with firearms** each year, a staggering total of a minimum confirmed of 500,000 and an estimated 3 million (30) (31), and the highest number of **violent raids** on private homes, with more than 80,000 instances per year of **SWAT teams** kicking in someone's front door in the middle of the night, always terrorising and sometimes killing the occupants, usually without identifying themselves and often attacking the wrong house. (32) (33)

The US has the highest rate of **cocaine and meth usage** of any nation (34), thanks in large part to the CIA's very successful war on drugs which permits that agency to import cocaine duty-free. The US has the highest rate of **gender inequality** (35) among industrialised nations, far exceeding egalitarian nations like China (and formerly Iraq and Libya). The US has the highest number of **lawyers and lawsuits** in the world, by orders of magnitude, a reflection of both natural belligerence and inborn greed, Americans spending twice as much on lawsuits each year as on new cars (36). Japan has 14,000 lawyers, China 160,000, the US 1.35 million (11 per 100,000 for Japan and China compared to 300 per 100,000 for the US). Americans surpass the entire world in their amount of **useless consumption**, having long passed the point where it can be deemed pathological. As one measure, that of shopping mall space per capita, Germany has 2.7 sq ft per person, Japan has 3.9 and the UK has 5. For every American shopper there are 24 sq ft of mall. The US has by far the highest level of **carbon emissions** on a per-capita basis, thanks in no small part to General Motors who has repeatedly committed genocide on electric automobiles.



## **MERCHANT OF DEATH**

**Wars and violence** are defining adjectives of America. The US as a nation is now, and has always been, **intensely militaristic, inherently provocative, combative and violent**. The US is by far the largest merchant of death in the world, being responsible for about 70% of total **world arms sales**. For comparison, Russia is second at 17%, while China is at 3%. If we include everything, the US spends about **twice as much on its military each year** as the entire rest of the world combined, already well-documented by many authors at well in excess of \$1 trillion. It also has the world's largest network of **foreign military bases**, with more than 1,000 such installations,

including many that appear on no map, and the world's largest number of **bio-weapons labs**, with more than 400 outside the US. America has launched the most **wars of aggression** in the history of the world and has been **at war for 235 of its 243 years as a nation**, all those wars unprovoked and unjustified, and none of which were either wars of 'liberation' or 'to make the world safe for democracy', but for colonisation and plunder. The US is also outstanding in that it has **assassinated more foreign world leaders** and other officials (about 150) [\(37\)](#) than even Israel has done, and also operates the largest network of **torture prisons** that has ever existed in the history of the world. The US also wins first prize for having some of the most bloodthirsty **homicidal mass murderers and pathological killers** in the history of the world, far exceeding our former heroes Stalin and Hitler. **Kissinger, Albright and Curtis LeMay** come immediately to mind, but there are more.

The US has by far the highest **incarceration rate** of all nations, with more than 25% of the world's prisoners in its jails and with almost 35% of all adult Americans having **a criminal record**. Alarmingly, the US has by far the highest number of **internment camps** - prison camps - in the world, all 800 fully-staffed but empty, waiting for Americans to dare launch another Occupy Wall Street or similar protest. The US has the most **militarised police forces** of any nation, with frighteningly heavy-duty military hardware like MRAPs, APCs, drone aircraft and automatic weapons. The police motto "To protect and serve" that was once plastered on every police car, has been amended. It now reads "To occupy and kill". The US has by far the highest number of **civilians killed each year by police** (well over 1,000) of any nation in the world, even including rogue states and axis of evil members. Americans have far more to fear from their local police than from terrorists. **Police brutality** in America is now legendary, so common as to be one of the nation's defining adjectives, with beatings, shootings, harassment, false criminal charges reaching epidemic proportions and increasing.

America is the world's only nation with a website named "Killed by Police.org" to document the epidemic of civilians killed by police, and the only nation where local newspapers have sections devoted to listing the number of daily killings in each neighborhood of the major cities to assist citizens in house purchases. **Violent crime rates** in the US are at least an order of magnitude above those of China or Japan (and many other nations).



The US also has one of the most **corrupt police and judicial systems** in the world. No Western country is particularly free of this charge, but America excels. As one example, the US has by far the largest number in the world of citizens **falsely convicted by fraudulent testimony**, some 40,000 convictions caused by one fraudulent forensics lab alone. And of course, the US has the **world's largest espionage network** by orders of magnitude, with an ambition to steal every secret and to record and save every communication by every human on the planet.

It is no longer a secret that **American-style democracy has a few flaws**, with extreme dysfunction and rampant corruption among the more visible, though looting the public trough would run a close second. The US also has the government most totally over-run with puppet-masters and controlled by parasitic aliens, having entirely lost control to its various lobbies and **with all its elected officials having sworn allegiance to the Jews and Israel rather than to America**. The US has the highest number and percentage of Presidents, Secretaries of State and Defense Secretaries who were **certifiable as criminally insane** and who should have been given lobotomies and committed to institutions for life. Too many names to list here. America is the one nation that has more or less **institutionalised government corruption** at virtually every level, extending deeply into the judiciary, the regulatory bodies and Congress, as well as local and state governments. The US is well-known for compiling the most **fraudulent economic statistics** of all developed and undeveloped nations, including the hugely fictitious 'average income' of \$45,000, and is one of the most indebted of all countries in the world today. I strongly suggest everyone read this short article on US economic statistics ([38](#)) and cease the rubbish about how China's numbers can't be trusted.

Not to be outdone, the **US media** are in a class by themselves in terms of dishonesty, bias, censorship, and petty opinion-based journalism. **American journalists** are mostly cut from the same cloth, displaying more or less the same malignancies.

The US has the most complete **immunity for elite white-collar crime**, prosecuting only its person-companies but never the persons. Americans boast of their transparent and corruption-free financial system, and the US media enjoys trashing China for what appears to be an occasional corporate fraud. But in the long list of the world's



largest **corporate bankruptcies due to fraud and corruption**, all but one occurred in the US. Ron Unz prepared a list that included Enron, WorldCom, Tyco, Global Crossing, Adelphia, MF Global, Lehman, Bear Stearns, Merrill Lynch, Washington Mutual, and Wachovia. The US has also been home to the world's largest Ponzi schemes like those of Bernie Madoff and Allen Stanford, that resulted in almost \$100 billion in public losses. It is the US, not China, that is the home to corporate fraud and deceit, while **all but two of the largest corporate frauds in China in recent decades were committed by American firms, not Chinese.**

To end our list of areas in which American Exceptionalism truly shines, the US has for years been deservedly voted **the world's most hated nation**, is widely reviled as **the world's greatest bully**, and judged by all peoples - including Americans - as **the greatest threat to world peace.**

Lest anyone think the above list is unfair or exaggerated, you can do a simple test by applying the items to other countries. Germany, for example, or China or Canada. Certainly every nation has some deaths, crime, divorces, military spending and so on, but none of the items in this list can be applied to Germany, China or Canada, nor to any other nation. The US does have the greatest debt, highest military spending, racism, killings, guns, incarceration, torture prisons, initiated wars, and all the rest. The records for inequality, obesity, consumption, personal debt, poverty, cocaine use, murders, all belong to America, with no other nation even in the running. The claim is as demonstrably true for ignorance and hypocrisy as it is for police brutality. As an accusation or an indictment, the list is 100% accurate, a factual description of America as it is today, seen without the propaganda and rose-colored glasses.

A complete list of areas of American Exceptionalism **must include one other item: The most traitors.** This unfortunate category exists on several levels, the first being the **President and White House staff** and the **US Congress** who, as we already know, have pledged allegiance to Israel rather than America. The second is the **foreign-owned US FED**, criminally pursuing its own agenda while systematically destroying the economic fabric of America. The cadre of elite owners of most large **US banks and multinationals** fall into this category as well, pursuing their own private advantage while consciously gutting the economy of their own nation.

But there is a third, more pervasive level, **a large cadre of educated Americans who are essentially compradors, traitors to most of their values and to their people**, embedded in the system and dependent on it, participating fully in the destruction of their own country by acting as lieutenants for the officials of the secret government. These individuals are vital for the success of the transformation of the US to a fascist state, with the elites dependent upon them to execute their policies, yet they also profit from their positions in terms of attractive salaries and protection from much of the law. These are the people who best know of all the crimes and social injustices, being in fact a willing part of their execution process, but least likely to blow the whistle for fear of damaging their careers. It is the middle level of educated **executives, lawyers, accountants and managers in government, criminal corporations, Foundations, think tanks, the media**, and so many others, who are directly responsible for knowingly inflicting the vast damage on their own people and nation. Like the CEOs of the banks and multinationals, these compradors seek only their own advantage, discarding their human values and blinding themselves to the harm they do.

The following bulleted list is for your ease in reading.

- Greatest Income Inequality of major nations
- Lowest social mobility
- Smallest middle class and largest lower class of all major nations
- Largest amount of personal debt
- Highest percentage of university graduates with massive student-loan debts
- Lowest percentage of home-owners of major nations
- Highest number of homeless of major nations
- Highest percentage of repossessed homes and autos in the world
- Highest Poverty rate of major nations
- Largest number of children in poverty and homeless children in major nations
- Greatest slums and urban decay of any Western nation

- Highest percentage of population receiving government food aid
- Highest level of unemployed, under-employed, and part-time employed
- The highest number of people aged 65 to 75 returning to the workforce to survive
- Only nation with no mandated paid holidays or maternity leave
- Highest educational costs
- Highest functional illiteracy rate of all developed and semi-developed nations
- Highest level of ignorance
- Highest health care costs
- Most people without health care
- The only Western nation with high GM food content
- Highest infant mortality rate
- Highest obesity rate
- Shortest life expectancy at birth
- Highest rate of sexually-transmitted diseases
- Greatest production and access of pornography
- Highest anti-depressant drug use
- Highest teen-age pregnancy and abortion rates among developed countries
- Largest number of one-person households
- Largest percentage of fatherless children
- The most strident nationalism of all nations
- Highest level of racism and race-related violence
- Highest number and percentage of guns
- Highest murder rate
- Highest number of gun shootings
- Largest number of firearms crimes per year
- Highest cocaine and meth usage
- Largest number of lawyers and lawsuits
- Highest carbon emissions
- Highest military spending
- Highest arms sales
- Largest network of foreign military bases (1,000) and foreign bio-weapons labs (400)
- Most wars of aggression of any nation in the history of the world
- Most governments destabilised and overthrown

- Largest number of foreign leaders and officials assassinated
- Longest-lasting genocide in the history of the world
- Largest network of torture prisons - and prison ships - in the history of the world
- Worst human rights record of all nations, possibly excepting Israel
- Highest incarceration rate
- Highest percentage of population with criminal records
- Largest number of civilian internment camps
- Most militarised civilian police force
- Largest number of civilians killed by police
- Highest number in the world of violent SWAT raids on civilian homes
- The only nation with widespread civil forfeiture
- Largest commercial and military espionage network
- The government most over-run by parasitic aliens
- Highest percentage of criminally-insane Presidents and officials in history
- Most institutionalised government corruption
- Most complete immunity for elite white-collar crime
- Most and largest corporate bankruptcies due to fraud
- Most fraudulent economic statistics of any major nation
- Most biased and dishonest media and columnists
- Most hypocritical of all nations
- Most hated nation
- World's greatest bully
- Greatest threat to world peace

\*

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# Dumber Than the Average Human



## Introduction

For background, the **Boston school system** had for many years grappled with the problem of how to assign students to Boston's public schools that could both let children attend one of the few good schools in the system while also finding one close to their homes. They also wanted to ensure that students from poor neighborhoods had the same chance of attending good schools as those from more affluent neighborhoods. The school system was divided into zones where many students were bused far from home but still attended the lower-quality schools. A newly-appointed 27-member committee tried yet again to find a solution but after months of examination and debate became hopelessly entangled in what were largely irrelevancies, and again could find no solution. But a 24-year-old Chinese student named Peng Shi who was in a Ph.D. program at MIT and who was looking for a thesis topic, attended the meetings, asked a few questions and gave them the obvious solution of eliminating their school zones and applying a different model for selection. After some study, the

committee voted overwhelmingly to adopt Shi's model, calling it "a breakthrough moment" for Boston's school system.

According to an **NYT** article reporting on the event: "That it took a dispassionate outsider with ... no political agenda to formulate the model is a measure of the complexities facing urban school districts today", but that is a baldly dishonest statement. Yes, it took a 'dispassionate outsider with no political agenda' to solve the problem, but the problem was not "a measure of the complexities facing American school districts" but one more indication that (**a**) creativity, independent thinking, problem-solving and all the other good words do not in fact exist in the US educational system, and (**b**) adult Americans really are dumber than the average human.

After multiple repeated attempts over many months, the solution was not only not obvious but non-existent, to the 27 adult American "educators" who "lead the world in innovation and critical thinking". But after only 30 minutes the solution was obvious to Shi, a 24-year-old Chinese kid, a rote-learning robot whose educational system taught him only to memorise and not to think, who knew only how to produce high scores but not to apply any knowledge, someone with no creativity and no imagination. [\[2\]](#) [\[3\]](#)

We know all the criticisms. China's children are taught only to memorise and not to think or question. They are rote-learning robots without capacity for original thought. They know only how to produce high scores but not to think. They have no creativity, no imagination, no concept of innovation. The classes are too large; there is no individual attention paid to students. The entire Chinese educational system is corrupt and failing. But this is all nonsense, yet one more foolish myth propagated by the Americans. There has never been any evidence to document such claims which, like so many others, are fabricated solely on an imaginary moral superiority.

## **America Leads the World. Or Does it?**

The quality of American education, as we will see, is far lower than the world has been led to believe, and the quality in China is in many cases

much superior to that in the US. Americans might care to ask why it is that Chinese elementary or high school students moving to the US are often promoted by one or two grades. The reason is that they know so much more than their American counterparts they would suffer terminal boredom if forced to remain at their prior grade level.

GLOBAL EDUCATION LEAGUE TABLE				
Overall Rank*	Country/Economy	Mathematics Score	Reading Score	Science Score
1st	Shanghai (China)	613	570	580
2nd	Singapore	573	542	551
3rd	Hong Kong	561	545	555
4th	Taiwan	560	523	523
5th	South Korea	554	536	538
12th	Finland	519	524	545
26th	United Kingdom	494	499	514
36th	United States	481	498	497
61st	Jordan	386	399	409
62nd	Colombia	376	403	399
63rd	Qatar	376	388	384
64th	Indonesia	375	396	382
65th	Peru	368	384	373

*\*Based on 2012 PISA math score* *Source: 2012 Program for International Student Assessment*

If we refer to the PISA tests, Shanghai's math scores were 119 above the OECD average, or the equivalent of nearly three years of schooling, with reading and science exceeding the OECD average by about 1.5 years of schooling. And in some cases, the American students were behind the OECD average by approximately the same number of years as the Chinese were ahead. (4) (5)

The myth persists that the US has always led the world in quality of education, but this is nothing more than branding propaganda and part of the indoctrination process of American moral superiority that is wholly unsupported by facts. Consider this quote from an American education expert:

**"The US has never been first in the world, nor even near the top, on any international tests.** Consistently over the past half century, American students have typically scored near the median at best, but most often being in the bottom quartile. The historical record indicates that American elementary students are only average at best, their performance degrading year by year until **high school seniors perform last in almost all international tests.** The International Science Studies that began in high schools in the late 1960s and early 1970s found that 14-year-olds were below average and seniors scored last of all countries. In the International Mathematics tests that began in the 1960s, American high school seniors scored last of all nations. In the 1982 International Mathematics Study, high school seniors placed at the bottom on almost every test. **In terms of the PISA tests, American students - placing last - are simply following the pattern that has been consistent for the past 50 years or more."** [\[5a\]](#) [\[6\]](#) [\[7\]](#)

The National Assessment of Education Progress, or NAEP -- called the Nation's Report Card -- is an exam given to fourth-grade and eighth-grade students throughout the country by the National Center for Education Statistics, a branch of the U.S. Department of Education. Only 36 percent of fourth-grade students and 34 percent of eighth-grade students in 2015 scored high enough to be considered proficient or above in reading. In math, 40 percent of fourth-grade students and 33 percent of eighth-grade students scored proficient or above. Many experts have stated that **Americans are "uneducated to a degree unmatched by many third-world countries".** [\[8\]](#)

Recent tests in the New York area show that less than half of all students are proficient in English and Math, and in some areas the number is as low as 13%. This is true in most of the country, literacy being marginal in most American secondary schools. In an article published in the San Jose Mercury in 2001, it was documented that **75% of California high school seniors could not read well enough to pass their exit exams.**

A quote from one news report: "In October of 2013 a new global report issued by the **OECD** found that Americans ranked well below the worldwide average in just about every measure of skill. In math, reading, and technology-driven problem-solving, **the United States performed worse than nearly every other country... The US would have looked even worse if China had been included** in this



study. In basic literacy - the ability to understand and use basic written text - 80% of Americans reached only a level 2 out of 5. And in math and numerical proficiency, using numbers in daily life, they are worse ... and 10% scored below level 1. Technological literacy and ability were worse too. In problem-solving in a technological environment and the use of "cognitive skills required to solve problems", the Americans were at the bottom." And that bottom is in math, vocabulary, language usage and technology, with Chinese students far surpassing the Americans even when using a language that is not their own. [9] [10]

In early 2014 the Washington Times reported that new studies and the results of the recent SAT tests demonstrate conclusively that the vast majority of America's 2012 high school graduates aren't ready for college, and **SAT scores have plummeted to their lowest level in more than 40 years.** The results of the exams, released by the College Board, revealed that only about 39% of students planning to attend university are in any way prepared for the world of higher education. **More than 60% displayed functional illiteracy** by failing the reading portion of the test, with only a slightly better result on math and writing, which means most US university students will achieve C or D grades at best, and that a great many will either fail or be falsely graduated without merit or knowledge. And the dropout rates are fierce. **In Washington DC, the nation's capital, almost 70% of college students fail to graduate.** [11] [12] The solution was to abandon the SAT tests for college entry.

I deleted this paragraph, then decided to re-insert it because the topic irritated me. We're dealing with the English language, and listening to a senior American educator, a Ph.D. from Harvard, explaining why only 39% of all students who took the SAT college admissions test scored well enough to be deemed ready for college. In her little media sound-byte, she said this fact showed American educators where they needed to "hone in". The correct expression is "to home in on", as with a homing device, to focus on or bring us to the correct place, in fact to take us home. To "hone" is to sharpen, as to hone a blade, but for Americans who don't - or can't - read, the sound is similar and sloppy carelessness accounts for the rest. Critics pounced on this, but **she and other 'educators' defended such a foolish error by claiming that language is alive and fluid, and it changes.** To make matters worse, another shining light, this one an education expert from Duke University, informed us that our **criticisms of poor-quality education (and educators) would likely "snuff out democracy".**



In spite of all the branding propaganda and rhetoric, the decreasing quality of American education is well-known in the West. It is not a secret that for many decades the US has been "dumbing-down" its education at all levels, consistently reducing government funding to result in fewer teachers, larger classrooms, poorer facilities, lower salaries and teacher quality, and steadily decreasing learning. One need only do a quick Internet search to find hundreds of studies and alarmed reports of the greatly-deteriorated quality of American education. As **John Kozy** noted, *"In fact, piles of evidence reveal that Americans are getting dumber. People who have graduated from high school since the pocket calculator was invented can't calculate in their heads, not even simple addition, subtraction, and multiplication. Many people addicted to the Internet have difficulty reading anything more complicated than a tweet"*.

The propaganda machine focuses heavily on the mythical superiority of the American education system, but Americans haven't the critical thinking skills needed to see through the lies presented to them. One author pointed out that American public schooling grinds away at children until they graduate with little creativity or curiosity, stating further that "Such people will never be informed citizens, and most could care less". All of this has been heavily researched and documented by **John Gatto**, who was nominated as Teacher of the Year for New York State and New York City, and who has since left teaching, claiming he was no longer willing to harm children by teaching them in the US public school system. [\[13\]](#)



In 2013, **Jeff Schweitzer** wrote an article in the UK **Guardian** titled 'God created gravity', in which he deplored the sad state of American education, to quite an extent blaming religion for the lack of intelligent focus, with subjects like science still in the 17th century in US schools. He said that while the rest of the world is becoming educated,

**Americans spend their time discussing how exceptional and awesome they are, with the result that Americans are number one only in delusion.** *"Steeped in this wasteland of scientific illiteracy we march ever further toward a theocracy ... twisting history to indoctrinate our children with stories about god and gravity"*, with educational debates, like all others based on faith rather than logic. He wrote that **the only way for Americans to support any position they hold is to simply assert their supremacy as loudly as possible, reduced to childlike tantrums of "I'm right, you're wrong, I win."** [14]

Because American schools do not demand critical thinking and problem-solving from students starting at a young age, the students are lost in university classrooms when they are years behind and struggling with the basics of reading and understanding. Many US educators complain that fewer than one-quarter of their students have any proficiency at all in basic skills like math and reading comprehension, that they are never taught original ideas or methods of learning that will prepare them for higher education. One educator claimed, "My former teachers simply did not push me to think past a basic level, to apply concepts, to move beyond memorizing facts and figures." And of course the students feel the pressure acutely. One first-year university student said, "I basically thought I was stupid. I just felt like, What's wrong with me? Maybe I'm not meant to be here." Another said, "You can't make it in college by yourself. You just need all the help you can get." One student who felt blessed by having a good teacher in her final year in high school said, "I feel like it was too late. It just wasn't enough to have that kind of teacher for one year." [15]

And it isn't only the students who are in this position. The **New York Post** ran an interesting article titled, "**US adults are dumber than the average human**", which stated in part, "It's long been known that America's school kids haven't measured well compared with international peers. [16] Now, there's a new twist: Adults don't either. In math, reading and problem-solving using technology – all skills considered critical for global competitiveness and economic strength – American adults scored below the international average on a global test." The studies also found that **it was much more difficult on average to overcome the lack of knowledge, literacy and other barriers in the United States, than in other nations.**

The article continued, "It's not just the kids who require more and more preparation to get access to the economy, it's more and more the adults don't have the skills to stay in it. Americans scored toward the bottom in the category of problem solving in a technology rich environment, even in skills such as using a mouse", creating a kind of "underclass – **a large group of people who are basically unemployable**". And again, "A quarter of all Americans never become proficient in math. In Shanghai and Korea, the comparable figure is about 6%. Some 7% of US students reached the top two scientific performance levels, compared with an amazing 27% in Shanghai."  
[\[17\]](#) [\[18\]](#) [\[19\]](#)

**Rick Shenkman** wrote an interesting and enlightening article titled 'Just How Stupid Are We?', in which he wrote "Americans generally do not seem to absorb what it is that they are reading and hearing and watching. Americans cannot even name the leaders of their own government. The error can be traced to our mistaking unprecedented access to information with the actual consumption of it." He said that in the postwar period, social scientists began to systematically measure what Americans actually knew, and even back then the results of their displayed ignorance were devastating. He further claimed that surveys showed Americans' level of ignorance remaining constant over time, and that by some measures **"Americans are dumber today than their parents of a generation ago. Young people ... know less today than young people forty years ago."** [\[20\]](#) [\[20a\]](#)[\[21\]](#)



The situation is so bad that in 2003, when the Strategic Task Force on Education investigated Americans' knowledge of world affairs, they concluded that **"Americans' ignorance ... is so great as to constitute a threat to national security."**

But according to the **NYT's** resident jack-of-all-trades **Paul Krugman**, if you had to "express the greatness of the United States in one word, that word would be 'education'." Other more knowledgeable and competent people disagree with Krugman. **Donald Kagan**, a former president of Yale University gave a final speech in 2013 in which he said that American universities were failing their students, that the curricula were inappropriate and were "unfocused and scattered", the campuses "a kind of cultural void, with an ignorance of the past", and that "faculty with atypical views" were rare. Perhaps most importantly, Kagan said, "At the university, there must be intellectual variety. If you don't have [that], it's not only that you are deprived of knowing some of the things you might know. It's that you are deprived of testing the things that you do know or do think you know or believe in, so that your knowledge is superficial." [\[22\]](#) [\[23\]](#)

The man was precisely correct in this last statement, reflecting **one of the hazards today of being an American, the programmed and propagandised uniformity of thought that deprives Americans of any way to test the validity of their (mostly) foolish beliefs.** Such regimented and incessant propaganda provides a uniform reinforcement of ideology, creating impenetrable boundaries of the mind. The simple-minded adherence to a single ideology narrows one's views and cripples the ability to think clearly or critically. As one author wrote, "a closely adhered-to ideology becomes a mental locality with limits and borders just as real as those of geography. In fact, if we consider (American) nationalism a pervasive modern ideology, there is a direct connection between the boundaries induced in the mind and those on the ground." [\[24\]](#)

**Karl Weiss** wrote an excellent and perceptive article that was published in Germany's *Berliner Umschau* in October of 2009; I will quote some of his observations here. He began with the decrepit American educational system, stating ".. the education system in America is unlike that of almost any other industrialized country. Free education is available only at primary and secondary levels; beyond that, community and technical colleges and universities are so expensive that children in lower socioeconomic classes have little chance of attending unless they are "gifted" and get scholarships. **The education provided by the public school system is often so inferior that graduates who can't afford better schooling have little chance of ever getting the knowledge and skills necessary**

**to lead fulfilling lives. Instead, the focus is on producing nationalistic dimwits who know nothing but their own country."**

He went on to say that **one result is a deeply divided society with the capitalists and bankers on one side and the uneducated and lower class on the other**, resulting in what he called "a society of force so shot through with violence that any other value has little or no meaning", and with everything rooted in the Christianity-based black and white dog-eat-dog competition that creates only winners and losers. Weiss' allegation of "nationalistic dimwits" is not only accurate for the US educational system, but the process is universal throughout the nation. Educational materials in the US are largely propaganda tools, intended not to educate but to indoctrinate.

In the wonderfully disingenuous but disturbing manner of propagandising in which Americans excel, one educational website made the following claim: "While lawyers, doctors, and teachers typically complete additional schoolwork, computer programmers, nurses, and automotive technicians may be qualified with only one or two years of study".

**Doctors "typically" complete "additional schoolwork"?** That sounds like some, but not all, medical students doing a bit of extra homework at the Grade Three level, but doctors in most countries need an undergrad degree plus an additional four years of grueling medical training to become an M.D., and yet this is being equated with an auto mechanic who may be qualified with only one year of study. This re-categorisation may appear trivial to the casual reader, but this anti-intellectual linguistic magic is reprogramming Americans with a much-denigrated appreciation of a university education. Now, an American hairdresser and manicurist is trained to the same level of competence as a gynecologist - except for the bit of "additional schoolwork". And only in the US can a nurse be "qualified" with only one year of study. Many countries require a 4-year nursing degree.

The amount of mythological propaganda and marketing surrounding American education is stunning. **Shailendra Raj Mehta**, a visiting professor at **Duke University**, wrote one of the most nonsensical articles I have seen in years, titled '**The secret of Harvard's Success**', in which he wrote **"No country dominates any industry as much**

**as the United States dominates higher education".** According to him, in a ranking of world universities, 17 of the world's 20 best universities are American, with Harvard topping the list by a substantial margin, a feat he attributes to "**America's innovative governance model for higher education**". I have no idea what that would be, but it can't be good. As I've detailed elsewhere, Harvard was established by the Puritans as a religious training camp to produce missionaries for their heresies, not to "educate" anybody. And, as with all rankings everywhere, the Americans choose the game, set all the parameters, lay down the rules, decide the scoring system, then win the game. And the US media promote this nonsensical propaganda literally to the ends of the earth. American universities are not ranked so highly because they are the best; it's because the Americans determined the ranking rules so they would come out on top.

In fact, in a recent, more intelligent and less-biased, examination of higher education systems, China ranked ninth, six places above the US. **Universitas 21**, a group of 27 research-intensive universities from around the world, created an international ranking system of educational quality based on national purchasing power. A leading Universitas researcher said that despite a relatively low per capita income, China had made a "phenomenal" investment in its top universities, resulting in Chinese universities now being "serious players" in research and other fields.

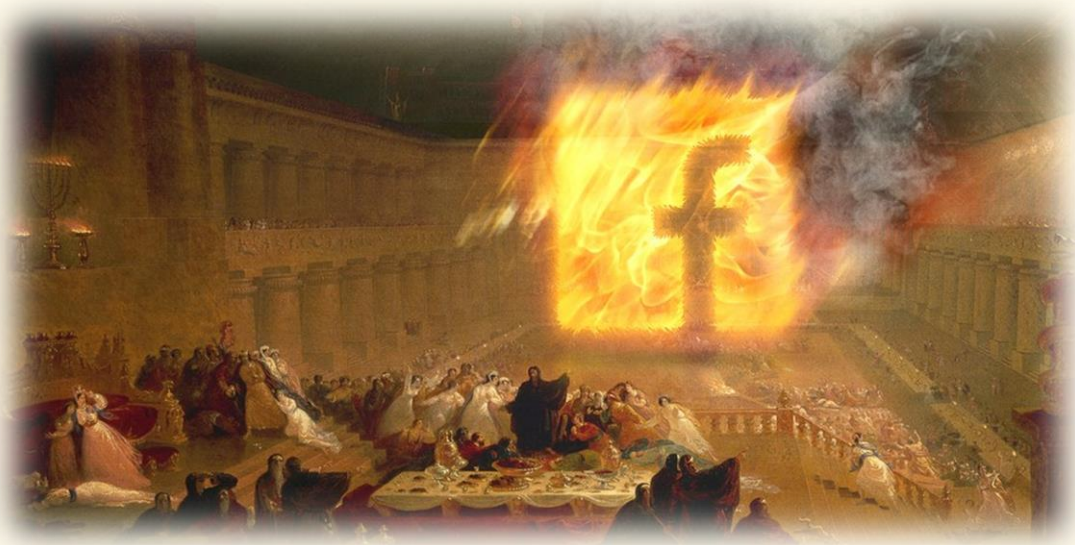
Here is an excerpt written by **Sarah Brown**, taken from Canada's Globe and Mail, in response to an NYT article about Harvard students always receiving A grades:

"Having attended both **Harvard** and the **University of Toronto**, I can state that there are two differences between the schools: Harvard is much more difficult to get into, whereas the University of Toronto is much more difficult to get out of - with a degree and decent grades, that is. At Harvard, undergraduates have to take only four full-time courses per year to earn a degree, and they have a longer school year in which to prepare for their exams. At U of T, five full-time courses must be taken, and the school year is much more condensed. The atmosphere at Harvard is quite "country-clubbish" and leisurely, while at U of T it is a downright pressure-cooker. At U of T there is an unwritten policy that 20 per cent of the students in every class will receive a failing grade. At Harvard, most students receive a minimum of A- grades. In fact, to receive anything less than a B, one would have



to miss exams and not hand in assignments. As far as getting into Harvard goes, the most significant factor is whether or not you are a so-called "legacy," meaning that if your father, mother, or sibling went to Harvard before you, you can still get in, as hundreds do, with mediocre high school grades. I'm not surprised that current Harvard students feel that they deserve A's for their \$100,000 investment; if they were forced to compete with students at the U of T, many would receive only C's at best." And many would fail.

## Dumber Than the Average Human



When I was a university student, there were Americans at my school who had obtained B.A. degrees from **UCLA** with majors in - and I am not kidding - basket-weaving and ceramics. In America, that's called an education. Basket-weaving. That's about the same being granted a Master's degree if you can learn to knit a sweater. At around the same time, a US polling firm did a nation-wide study and discovered, among other things, that a full 75% of Americans could not find their own country on a map of the world. Similar studies have been repeated many times since then, with essentially the same results among adults and students at all levels including university: about 75% of Americans couldn't find either their country or Canada. One of the most famous references to this astonishing level of American ignorance occurred on US national television during a Miss Teen USA pageant when one of the finalists, **Miss South Carolina, Caitlin Upton**, was asked why most

Americans couldn't find their country on a world map. Here is her answer, which was posted on YouTube and received more than 40 million views.

"I personally believe that US Americans are unable to do so because, uh, some people out there in our nation don't have maps and, uh, I believe that our, uh, education like such as, uh, South Africa and, uh, the Iraq, everywhere like such as, and, I believe that they should, our education over here in the US should help the US, uh, or, uh, should help South Africa and should help the Iraq and the Asian countries, so we will be able to build up our future for our children." [25]

If that doesn't tell you what you need to know about the quality of American education, I don't know what would. It isn't only the ignorance, but the obvious functional illiteracy of such a person, that is so stunning. [26]

The American media flood the nation and the world with the most astonishing propaganda and fabricated fairy-tales about the quality of the nation's education. The US used to boast that it had the highest percentage of population with university degrees. I don't know if that claim was ever true, but it eventually became false so the Americans moved the goalposts. Now, in all the statistics, including those by the US government itself, anyone with almost any kind of accreditation above High School, perhaps including even a hairdressing or lawn maintenance diploma - which they call an "associate degree" is listed as a college graduate.

Similarly, **the US claims the highest level of literacy in the world - 99%.** Truly enviable. But then, reading the small print at the end of a recent highly-regarded "definitive study" purporting to document American educational supremacy, what do we find? Just as with its economic statistics and every other comparison the US produces, we discover manipulated and falsified data. In these so-called studies produced by the US government and its educational institutions, the Americans simply misrepresented the facts so they could place

themselves at the top of the list. In the case of functional literacy, the US position is this:

**"For highly developed or high-income countries where literacy statistics were not collected, a rate of 99% was assumed."**

We might legitimately ask why the Americans didn't bother to collect statistics. The reason is that in all studies, researchers have found **the rate of functional illiteracy in the US is almost 25% of the total population**, with the illiteracy rate for adults in many American cities like Detroit having been documented at almost 50%, a very long way from the fictional 99% literacy 'assumed', and in many other major cities like New York large swathes of the population read below a grade three level and have no math or other skills. The highly-regarded National Adult Literacy Survey found a total of almost 25%, or about 50 million of the 200 million American adults functioning at the lowest literacy level. In basic literacy - the ability to understand and use basic written text - 80% of Americans reached only a level 2 out of 5. It is so bad that 75% of the Fortune 500 companies have to provide some level of remedial training for their workers - a large number of whom are college graduates. [27]

Countless books and academic studies have been produced on the severe literacy problem in America, but the media ignore these facts and continue, like Paul Krugman, to feed the world the foolish utopian claim that the US is a world leader in education when nothing could be farther from the truth.

More than 25% of Americans believe the sun revolves around the earth, but one US columnist wrote that this wasn't really a bad thing. He claimed, "Firstly, the great majority of humans throughout history have believed this. Secondly, it's not a problem that impinges on the daily life of anyone. We should pick co-ordinates for convenience, not dogma."

## **Talking to Americans**



Canada had a popular TV personality named **Rick Mercer**, who took a camera crew into the US on a crusade to satirise the true educational level of Americans. One of his trademark programs (on **Canada's CBC network**) was called 'Talking to Americans', in which he would conduct random interviews with average Americans and tell them outrageous stories about Canada which they would inevitably accept as true. In one show, Mercer told Americans that very old or terminally-ill Canadian citizens are put onto ice floes and just pushed out into the Arctic Ocean to die. He pretended to be collecting signatures for a petition to the Canadian government to stop this practice; the signatures he obtained included those of full professors from Harvard and Yale.

In another, he interviewed **George W. Bush** (who had previously stated "you can't stump me on world leaders"), conveying to him compliments from Canada's Prime Minister Jean Poutine, on Bush's Presidential candidacy, to which Bush responded with the warmest expressions of heartfelt gratitude. [\[28\]](#) [\[29\]](#) The Prime Minister of Canada was Jean Chretien; "poutine" is a French-Canadian dish of French fries with gravy and melted cheese. Bush was so miffed when the program aired, that Canada's CBC was banned in the US for years.

In one of his shows, Mercer asked Americans how many sides a triangle had: One victim of American education said, "None. There are no sides in a triangle." Another said "Four." He asked them if the movie "Star Wars" were based on a true story; many Americans answered in the affirmative. It was so bad that Mercer claimed "About 80 per cent of

the people give me the right answer, by which of course, I mean the wrong answer." Mercer convinced tourists at Mount Rushmore that the mineral rights to the mountain had been sold to a Canadian firm that was going to drill for oil in Lincoln's forehead. **"Professors at Columbia, Harvard, Princeton, Berkeley, NYU and Stanford University were consistently fooled by [Mercer's] absurdities."** [\[30\]](#)

It isn't only Canadians who mock American ignorance and lack of education. The US late-night talk shows often do this kind of thing, ridiculing the fabled ignorance of their own citizens, claiming that they need to speak to only ten or at most twenty Americans to find 5 stupid ones who know nothing - 25%. This is so well-known that **in Europe, 'American' equals 'ignorant', the two adjectives considered equivalent and synonymous.**

Ron Unz wrote an excellent and informative article in The American Conservative titled *The Myth of American Meritocracy*, in which he detailed issues with admission to top US universities, quoting other studies as well, all of which suggest that various preferences and biases, including the role of cash in this process, with most universities, including Harvard, having a 'cash price' of admission, meaning that a substantial donation will obtain admittance even for a dim-witted student with no particular ability. [\[31\]](#)

He wrote that the notion of a wealthy family buying their son his entrance into the Grandes Écoles of France or the top Japanese universities would be an absurdity." He mentioned China as well, confirming that China's gaokao is strictly based on merit and has never been corrupted by favoritism, and has been kept "remarkably clean for 1300 years". He confirmed what many of us already know, that this uncorrupted system may be one reason so many wealthy Chinese send their "dim and lazy" offspring to study in the West. In his words, "enrolling them at a third-rate Chinese university would be a tremendous humiliation, while our own corrupt admissions practices get them an easy spot at Harvard or Stanford, sitting side by side with the children of Bill Clinton, Al Gore, and George W. Bush." One of his final comments was that the admissions process at top American universities operates under the principle of *"Ideology and Diversity tempered by Corruption"*, not what many Chinese have been led to expect from the propaganda machine.

It should be abundantly obvious that there is no way to reconcile these testimonials and experiences, and countless thousands similar, with claims that the US 'dominates higher education', at least not in any positive way. And so, **with appropriate apologies to Paul Krugman, for those of you who are desperate to "express the greatness of America in one word", that word would be "bull\*\*\*\*", not education.**

\*

## Notes

[1] Dr. Andreas Schleicher who was in charge of the PISA test on behalf of OECD, said "While that's important, for me the real significance of these results is that they refute the commonly held hypothesis that China just produces rote learning. Large fractions of these students extrapolate from what they know and apply their knowledge very CREATIVELY in novel situations. In my opinion, it's the American k-12 education which has failed miserably in teaching the American students the solid basics, has to be reformed."

He also added this: "I have no respect for a large number of the Chinese students who come to U.S. for UNDERGRADUATE study. Most of these students are from well-off families and academically too weak to get into decent Chinese colleges. The real smart Chinese students are the ones who finish their undergraduate education in China and come to the U.S. for graduate study and beyond."

[2] **Dr. Peng Shi | USC CAIS;**

[www.cais.usc.edu/news/prediction-and-optimization-in-school-choice/](http://www.cais.usc.edu/news/prediction-and-optimization-in-school-choice/)

[3] **No Division Required in This School Problem;**

<https://www.nytimes.com/2013/03/13/education/no-division-required-in-this-school-problem.html>

[4] **What You Need to Know About the International Test Scores;**

[https://www.huffpost.com/entry/international-test-scores\\_b\\_4379533](https://www.huffpost.com/entry/international-test-scores_b_4379533)

[5] **Global Test Shows U.S. Stagnating - Education Week;**

<https://www.edweek.org/ew/articles/2013/12/11/14pisa-2.h33.html>

[5a] **Vietnam Wallops U.S. on Test Scores;**



[https://www.huffpost.com/entry/vietnam-wallops-us-on-tes\\_b\\_7290682](https://www.huffpost.com/entry/vietnam-wallops-us-on-tes_b_7290682)

**[6] Asian countries top OECD's latest PISA survey;**

[www.oecd.org/...countries-top-oecd-s-latest-pisa-survey-on-state-of-global-education.htm](http://www.oecd.org/...countries-top-oecd-s-latest-pisa-survey-on-state-of-global-education.htm)

**[7] In PISA Test, Top Scores From Shanghai Stun Experts;**

<https://www.nytimes.com/2010/12/07/education/07education.html>

**[8] National Assessment of Education Progress Scores**

[http://www.huffingtonpost.com/entry/naep-scores\\_562fd4fde4b06317990fcf74](http://www.huffingtonpost.com/entry/naep-scores_562fd4fde4b06317990fcf74)

**[9]** The Washington, DC radio station, WTOP, reported in 2016 that only 25% of American 12th graders are able to write an essay.

Many educators called in to say they thought the number was too high.

**[10] Scores for Class of 2014 show no improvement**

[https://www.washingtonpost.com/local/education/sat-scores-for-class-of-2014-show-no-improvement-from-previous-marks/2014/10/06/80beb554-4d5b-11e4-aa5e-7153e466a02d\\_story.html](https://www.washingtonpost.com/local/education/sat-scores-for-class-of-2014-show-no-improvement-from-previous-marks/2014/10/06/80beb554-4d5b-11e4-aa5e-7153e466a02d_story.html)

**[11] Average SAT Scores Over Time:**

<https://blog.prepscholar.com/average-sat-scores-over-time>

**[12] SAT scores at lowest level in 10 years;**

[https://www.washingtonpost.com/local/education/sat-scores-at-lowest-level-in-10-years-fueling-worries-about-high-schools/2015/09/02/6b73ec66-5190-11e5-9812-92d5948a40f8\\_story.html](https://www.washingtonpost.com/local/education/sat-scores-at-lowest-level-in-10-years-fueling-worries-about-high-schools/2015/09/02/6b73ec66-5190-11e5-9812-92d5948a40f8_story.html)

**[13] John Taylor Gatto "Dumbing Us Down"**

[https://www.goodreads.com/author/show/41319.John\\_Taylor\\_Gatto](https://www.goodreads.com/author/show/41319.John_Taylor_Gatto)

**[14] God Created Gravity: Why the U.S. Can't Keep Pace With ...**

[https://www.huffpost.com/entry/god-created-gravity-why-t\\_b\\_4387942](https://www.huffpost.com/entry/god-created-gravity-why-t_b_4387942)

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**[16] US adults are dumber than the average human;**

<https://nypost.com/2013/10/08/us-adults-are-dumber-than-the-average-human/>

[17] **US adults rank below average in global survey of basic education skills**

<https://www.insidehighered.com/news/2013/10/08/us-adults-rank-below-average-global-survey-basic-education-skills>

[18] **National Assessment of Adult Literacy;**

<https://nces.ed.gov/naal>

[19] **Adult Literacy in the United States.**

<https://nces.ed.gov/pubs2019/2019179/index.asp>

[20] **Author: Irwin S. Kirsch; National Adult Literacy Survey (NALS);**

<https://nces.ed.gov/statprog/handbook/pdf/nals.pdf>

[20a] **Just How Stupid Are We?**

<https://www.amazon.com/Just-How-Stupid-Are-We/dp/0465014933>

[21] **Terence P. Jeffrey, October 28, 2015; Detroit Public Schools: 93% Not Proficient in Reading; 96% Not Proficient in Math**

<http://www.cnsnews.com/news/article/terence-p-jeffrey/detroit-public-schools-93-not-proficient-reading-96-not-proficient>

[22] **Learning to Be Stupid in the Culture of Cash; March 8, 2003; by Luciana Bohne**

[http://www.democraticunderground.com/articles/03/03/08\\_learning.html](http://www.democraticunderground.com/articles/03/03/08_learning.html)

[23] On November 18, 2015, **Christopher Ingraham wrote in the *Washington Post*** that Ben Carson's presidential campaign inadvertently underscored this point Tuesday night, when it took to social media to share a map of the United States in which five New England states were placed in the wrong location.

[24] [https://www.washingtonpost.com/news/wonk/wp/2015/11/18/ben-carsons-campaign-made-a-u-s-map-and-put-a-bunch-of-states-in-the-wrong-place/?tid=pm\\_pop\\_b](https://www.washingtonpost.com/news/wonk/wp/2015/11/18/ben-carsons-campaign-made-a-u-s-map-and-put-a-bunch-of-states-in-the-wrong-place/?tid=pm_pop_b)

[25] **Caitlin Upton**

[https://youtu.be/ZPXEJ\\_Gtx0](https://youtu.be/ZPXEJ_Gtx0)

[26] **In another televised beauty pageant**, a high school girl was asked to explain a quote by Confucius. In response, she said: "Confucius was one of the men who invented confusion."

[27] **An article in *Forbes magazine* stated** that "America's Millennials Are Among the World's Least Skilled". Specifically, they are short on literacy, numeracy, ability to follow simple orders, poor at solving problems.

[28] **Talking to Americans - Wikipedia**

[https://en.wikipedia.org/wiki/Talking\\_to\\_Americans](https://en.wikipedia.org/wiki/Talking_to_Americans)

[29] **22 Minutes star pulls prank on George W. Bush | CBC News**

<https://www.cbc.ca/news/canada/22-minutes-star-pulls-prank-on-george-w-bush-1.212339>

[30] "Rick Mercer talks to Americans on Nightline". Welland Tribune, August 2, 2001.

### **The Myth of America Meritocracy**

[31] <http://www.unz.com/runz/the-myth-of-american-meritocracy/>

# The US Healthcare System



Just as with the quality of US education, **most of what you are told about the superiority of the American medical system is just false propaganda and brand marketing.** The US spends more than twice as much as any other Western nation on a health care system widely considered to be the most dysfunctional in the developed world and where, in spite of the doubled total costs, much of the population has no access to health care. Many studies have demonstrated that the US has an enormous number of preventable deaths each year solely due to the dysfunctional nature of its health care system. The most credible estimate was a study carried out by Harvard Medical School Professors Himmelstein and Woolhandler in 1997, which concluded that about 100,000 people died in the United States each year because of

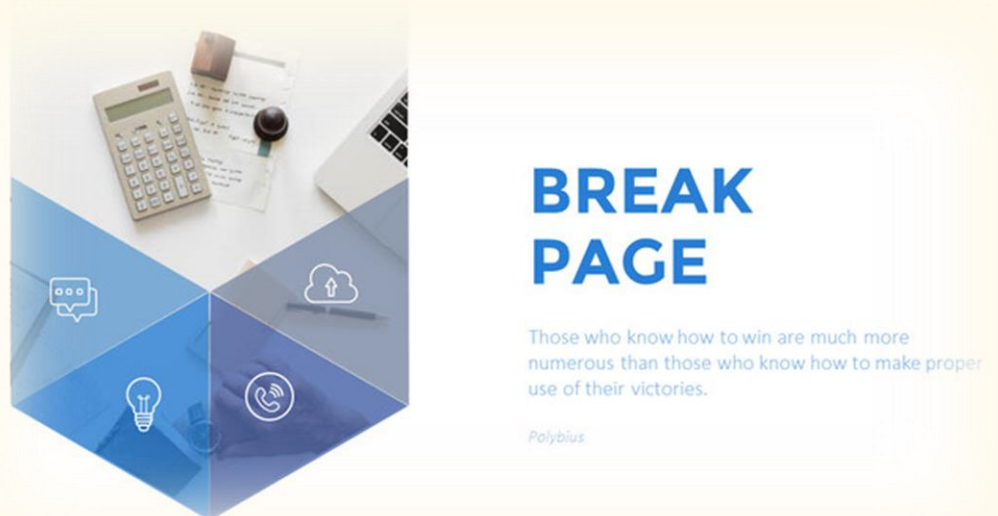
lack of needed care. [\(1\)\(2\)\(3\)](#) And statistics confirm that an additional 50,000 Americans die each year while waiting for critical treatment because they have no insurance. [\(4\)](#) But these numbers, large as they are, are trivial compared to those of the patients who die after being admitted to American hospitals. Read on.

**In the United States today, life expectancy is 50th in the world** - just above Albania, and infant mortality 46th in the world - worse than Slovenia, in all cases far below all developed nations and far below China as well. Of 17 high-income countries studied by the National Institutes of Health in 2013, the US had the highest prevalence of infant mortality, heart and lung disease, sexually transmitted infections, adolescent pregnancies, injuries, homicides, and disabilities. **Together, these issues place the US at the bottom of the list for life expectancy.** [\(5\)\(6\)\(7\)\(8\)\(9\)\(10\)\(11\)](#) In 2000, the World Health Organization (WHO) performed an extensive study of health care systems in about 200 nations. [\(12\)\(13\)](#) In that study, **the US health care system was ranked as the highest in cost, 37th in overall performance, and 72nd by overall level of health.** Another study by The Commonwealth Fund ranked the United States **by far the lowest in quality of health care among all similar countries, and by far the most expensive.** The Health Affairs journal performed a study in 2000, where it found that since 1970 all other nations had gained about six more years of life expectancy than did the US. According to the WHO and The Commonwealth Fund, the US spent more on health care per capita, and more on health care as percentage of its GDP, than any other nation in 2011, but ranked last in the quality of health care.

The root cause is a Right-Wing political conviction that government need not finance social needs which it claims are better looked after by the private sector, but the real reason is more commercial than ideological - the determination of a few wealthy industrialists to access the massive health care revenue stream. Due to extensive lobbying and virtual control by private-interest groups, the US government has largely abandoned medical services to the private sector, leaving corporations to provide society's social needs on a profit-maximisation basis. There are of course huge conflicts of interest when private corporations driven primarily by profit and self-interest are responsible for the delivery of a fundamental social need. The two major manifestations of this capitalist approach are that (a) much of the medical services field in the US, including **hospitals and medical offices, are operated as for-profit businesses** rather than being part of the social infrastructure of the nation as they are in Canada and

Europe, and (b) **the involvement of insurance companies as profiteering middlemen.** This is one of the factors exacerbating the nation's increasing income disparity. The insertion of private profiteers into public services serves only to drain wealth from the general public and concentrate it into increasingly fewer hands rather than recycling it through the government and overall population.

## PAGE BREAK



This is why Americans today have no government-funded universal healthcare system, as well as **the primary reason the US has thousands of private charities** collecting money for every cause. There are some health benefits for retired people and for some of the very poor, but everyone else must purchase coverage from an insurance company, which **costs American families nearly \$25,000 per year and expected to increase to more than \$35,000**, while single individuals often pay \$7,000, all for policies that fail to cover many illnesses or medical procedures, and in which **both insurance coverage and payment of claims are often refused.**

By contrast, families in Canada pay about \$1,000 per year for a universal government-funded single-payer system with no insurance company involvement, that covers everyone and everything, with no underwriting and few treatments refused. The insurance companies and American capitalists constantly deride this type of system as immoral socialized medicine, and attack Canada for caring more about



the people than corporate profits. The criticism notwithstanding, Canada has (or had) one of the finest and least expensive health care systems in the world, resulting from two decisions: (a) the system is a government-operated single-payer social service and (b) private enterprise and the insurance companies have been eliminated as profiteering middlemen. Canada made the right decision; the US did not.

## Some Cost Examples



One American woman visited an emergency room complaining of abdominal pain, and spoke at great length with the attending physician about her symptoms and treatment options. Her condition was almost certainly a gall bladder problem, which indicated an ultrasound examination, but the hospital didn't have a functioning ultrasound machine that day. The physician expressed doubt about the gall bladder and insisted the woman have a CT scan instead. As it happened, the problem was indeed the gall bladder and the woman received a bill from the hospital for **\$4,000 for the CT scan** - which the insurance company then refused to pay on the grounds that this treatment was "not indicated by the circumstances", and because the charge was outrageous, a CT scan being available at a public clinic down the street for only \$250. The consensus was that the doctor, having no ultrasound machine, either misdiagnosed or deliberately misrepresented the woman's condition so he could sell a CT scan for the hospital.

In another case, an American was charged **\$153,000 for a rattlesnake bite**, \$40,000 of this amount being the charge for 5 days in a hospital, and nearly \$85,000 for the medication that cost the hospital less than \$10,000. [\(14\)](#) Another American needed eye surgery which was quoted to him at about \$2,500 in Germany where it was a common 30-min outpatient procedure. He instead had it done in the US at a total cost of \$32,000.[\(15\)](#)

**A replacement hip costs between \$150 and \$350**, depending on the type and country of manufacture, but hospitals are charged between \$5,000 and \$10,000, and sales of imports are severely restricted to protect the profits of American manufacturers, and then add enormous mark-ups to their cost; for one American, a typical **US hospital demanded \$78,000** not including the surgeon's fee. The man had his hip replaced at a private hospital in Belgium for \$13,660. That price included not only the hip joint but also all doctors' fees, operating room charges, crutches, medicine, a hospital room for five days, a week in rehabilitation, and a round-trip ticket from America. [\(16\)\(17\)](#) By contrast, listen to one Canadian: "I had two hip replacements performed in Toronto, Canada, at a hospital specializing in joint replacement. **The only cost incurred was taxi fare to the hospital and telephone rental (\$4 per day) while in hospital.** We pay for our health care through taxes and never have to worry about receiving medical attention."

These examples are a perfect illustration of two of the three most serious flaws in the American health care system: the greedy and dishonest profit-mongering built into the system, and the freedom with which insurance companies refuse to pay claims. The third of course is the rampant professional incompetence that pervades the system, as we will soon see.

A Canadian travelled to the US on holiday and purchased from an American insurance company a policy that purported to pay all medical expenses incurred during his brief trip. As it happened, the man had a heart attack while in the US but the insurance company, claiming the man had made an error on his application, refused to pay the claim. After two weeks in a US hospital, the man was faced with **medical bills totaling \$348,000**. It was true the man omitted a bit of medical information, but it was trivial detail of which he had no knowledge and which was unrelated to his claim, but that was sufficient to deny payment. There are thousands of similar stories, which is why **most**

**personal bankruptcies in the US result from an inability to pay overwhelming medical costs.** Another Canadian received similar treatment from the American health insurance company, receiving a bill of nearly \$900,000 after a heart attack in the US.[\(17\)](#)

## **The Million-Dollar Baby**

Another perfect example involves another Canadian couple who incurred a huge medical bill incurred when their daughter was born ahead of schedule while they were on vacation in Hawaii. Naturally, they purchased health insurance for their trip to America and were assured by the insurance company's underwriting employee that they were covered for all eventualities including the pregnancy. But the woman who was six months pregnant at the time had her water break while in Hawaii and spent several weeks in a hospital before her baby was delivered prematurely. The bill? **US\$950,000** - a million-dollar baby. And naturally the insurance company refused to pay the claim on the grounds that the event was due to "pre-existing conditions" which were not covered by the policy. **The assurances by the company's own employee that the pregnancy was covered were declared by the company as being "invalid and incurring no contractual liability".** The couple are now in the process of selling their new home they purchased in anticipation of their new arrival, and are preparing to file for bankruptcy.[\(18\)](#)[\(19\)](#)[\(20\)](#)

From personal experience, I had laser cataract surgery performed in Shanghai. I could have had it done in Canada where it would have been free, but my ophthalmologist strongly recommended I have the surgery done in China because the level of expertise was much higher than in Canada or the US, and told me his own colleagues travelled to Shanghai for the same procedure. And in the operating room, there were four American doctors watching and taking instruction - from a Chinese surgeon - on how to perform the process properly. And the cost? In the US, laser cataract surgery can easily cost between \$5,000 and \$7,000 per eye; the surgery in China, performed by Shanghai's pre-eminent eye surgeon, was less than \$2,000 for both eyes. And clearly no evidence of the supposed American supremacy in medical care.

Because of this extreme profit-orientation, health care in the US is almost prohibitively expensive, with medical procedures often costing five to ten times as much as in Canada or most European countries. One day in a US hospital costs a minimum of US\$1,500, and can cost between \$6,000 and \$9,000 per day for complicated illnesses. **An MRI costs \$50 in Shanghai, less than \$300 in France but more than \$1,800 in Washington. A root canal that costs 200 RMB in Shanghai will cost \$1,800 in the US.** Physicians' incomes are artificially doubled or tripled compared to other countries, while medications and appliances cost far more in the US than elsewhere.

It isn't difficult to understand why. For any health care system, the hospital building is the same, the doctors are the same, the patients and their necessary treatments are the same. The main variables are that American privately-owned hospitals want an operating profit and a perpetual return on their capital investment, while the insurance companies collect administration costs, reserves and profit. This creates a system where patients are almost inevitably charged double the actual costs of providing medical care. In more simple terms, a hospital stay might cost **5,000 RMB**, including physician's costs, medications, and so on. But if the hospital is a private for-profit company demanding a return on its initial capital investment plus a high operating profit, the cost increases to **7,500 RMB**. And if we insert an insurance company into the middle, their overhead, sales expenses, reserves and profits will push the cost to **10,000 RMB**. Free-market capitalism in health care will double your costs for precisely the same product. How can it be otherwise? It should be apparent to even a child that inserting these profit-making entities into the middle of the system can result only in much higher costs to the public. The administrative costs alone for private health insurance plans in the US are substantial. Studies done by McKinsey and many other groups consistently estimate that excess spending on "health administration and insurance" accounted for between 20% and 25% of the estimated total costs.

Further driving up the costs, the US spends far more per capita on pharmaceuticals than any other country, largely because corporate control of the US government is so complete that the US pharma companies succeeded in having Congress pass a law that forbids the National Health Care Service to negotiate lower prices for medications, forcing them to pay whatever extortionate prices the companies demand, and it is further illegal for hospitals or physicians to prescribe generic medications even when available. Bribing physicians is traditional in America but is done differently because paying cash

bribes is illegal while giving discounts is not. Pharma companies offer discounts of as much as 90% to a doctor or a hospital on the purchase of their medications, all participants aware the medications will be billed out to the patient or Medicare at the full retail price, effectively being a bribe of 90% of the value of all medications sold. (21)(22)(23)

Most American hospitals and physicians receive bribes, payments under the table, free vacations, expensive gifts, golf trips, flights on private jets, high payments for essentially fake studies, and other rewards for pushing the most expensive and dubious medications and products, that the problem has reached almost epidemic proportions. One private firm in the US is attempting to create a database of all hospitals and physicians that receive money from pharmaceutical and medical supplies manufacturers, and statements of all monies received, in an attempt to help patients protect themselves from unethical medical practices and from unnecessary and excessively expensive treatments.

Another major reason for the high cost of US health care is that since the early 1900s the American Medical Association (AMA) has lobbied the government to tightly limit physician education, which has led to (a) a great shortage of doctors and (b) doctors' wages being more than double those in Canada or Europe. Another factor is that American doctors are paid for procedures instead of results, which means they are not paid for attending to a patient, but instead paid for each and every small action taken. Moreover, aggressive AMA and AmCham lobbying have created many restrictions that require doctors to carry out procedures that could easily be done by nurses or others which, according to many studies, has substantially decreased the quality of health care while markedly increasing the cost.

## Cash Cows



According to an article in the **WSJ**, "Teaching hospitals have long been points of pride for major [American] universities", but they are more often described internally as "cash cows", with some teaching hospitals raking in billions each year in vastly overpriced medical care. The US has about 120 of these, composed of teaching hospitals with close ties to medical schools, **which comprise only about 5% of all hospitals but produce about 25% of all US hospital revenue.**[\(24\)](#) Most American hospitals are astonishingly profitable: As one indication, the most profitable hospital in the US, the Flowers Medical Center in Dothan, Ala., recorded **"an incredible 53% operating margin"**, and the Del Sol Medical Center in El Paso had **"an astronomical 45% operating margin"**.[\(25\)](#)[\(26\)](#)[\(27\)](#)

During the 2008 economic crisis, millions of American families went bankrupt primarily from high medical costs and a lack of a national health care system. And it has long been true that the great majority of personal bankruptcies in the US are caused by excessive medical costs.

In recent years, about 65% of Americans who filed for bankruptcy claimed high medical expenses as the cause, and a new study done in 2013 found that almost 50% of all retired people are forced to sell or heavily mortgage their home to pay medical bills, and that about 25% of all retired Americans declare bankruptcy due to unaffordable medical expenses. Where do you go when you are 75 years old, ill, and bankrupt with no home and no assets?

The US government and American medical care firms often claim that all US citizens have medical insurance available to them, but the claim is an outright lie. Americans seeking to purchase health insurance must undergo medical underwriting, and insurance companies - wanting to avoid claims - will heavily screen applicants for pre-existing conditions, rejecting many applicants and quoting unaffordably high rates for others, even for such common ailments as acne, being a few Kgs over or under weight, and old sports injuries. Many millions of Americans are unable to buy insurance because of even relatively minor and treatable pre-existing conditions.

**In one of the most damning studies of American health care, the Commonwealth Fund found that of all Americans aged 20 to**



**65 who sought individual health insurance during the previous three years, 65% did not buy insurance because they found it unaffordable, and only about 25% actually obtained insurance.**

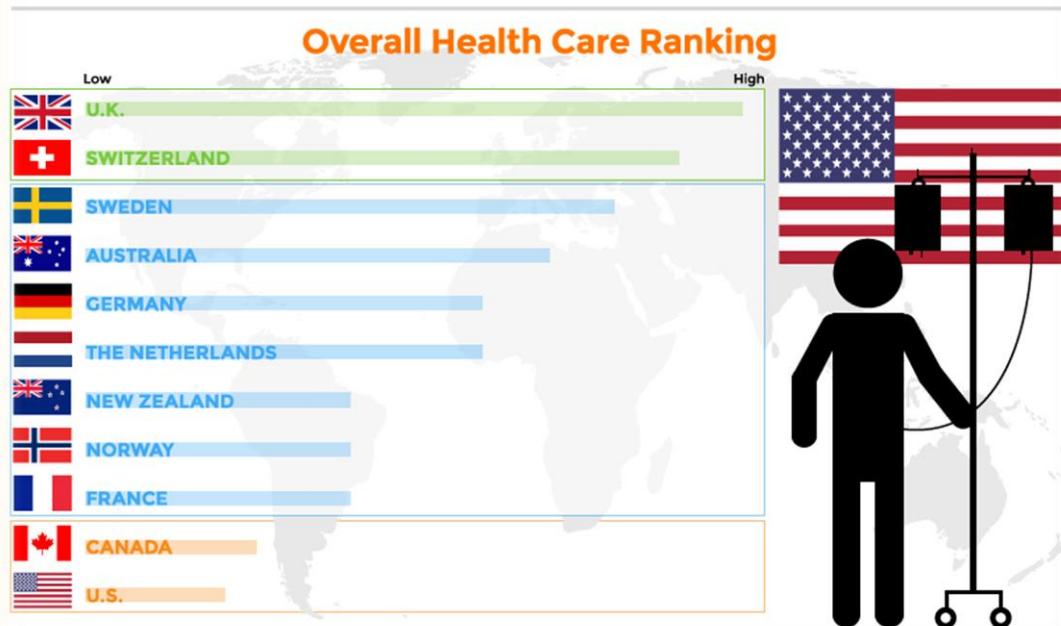
With the American system, we must first purchase medical insurance, then visit the hospital, and then submit an application to the insurance company for approval and reimbursement of our medical expenses. It shouldn't be a surprise that this approval is not always forthcoming, that having insurance is not a guarantee that your medical bills will be paid. The reason is that **every American healthcare insurance company has a huge department whose job is to examine each and every medical expense claim to look for reasons to deny paying the claim** - and they very often succeed. A mis-spelling of a name, an omission of a detail or a minor bit of health information, anything, is sufficient for them to refuse to pay your claim. **The American best practice in insurance as in any other industry is to maximise profits, and the best way for an insurance company to do this is to refuse to pay claims.** And these denied claims are not infrequent anomalies. The executives at AmCham and the US healthcare firms will of course deny these accusations, but you need perform only a brief Internet search on healthcare insurance in America to produce volumes of documentation and heart-breaking stories on this reality.

And it's even worse than this, because almost half of Americans who do obtain medical insurance are able to afford only a small policy that will pay for only simple and inexpensive procedures. Johns Hopkins University professor Navarro brought attention to this larger problem of underinsured people, referring to the many Americans who are able to obtain only minimal coverage that doesn't pay for the most-needed procedures. According to the study, about 40% of American adults reported that they had forgone needed medical care in the previous year because of cost. Also, numerous studies have documented large inequalities in the system between rich and poor and by educational level. Racism is also prevalent, with repeated findings that blacks and other minority groups receive less health care than white Americans, particularly when the care involves expensive technology.

## Medical Care Quality in America

### U.S. HEALTH CARE RANKS LAST AMONG WEALTHY COUNTRIES

A recent international study compared 11 nations on health care quality, access, efficiency, and equity, as well as indicators of healthy lives such as infant mortality.



Source: K. Davis, K. Stremikis, D. Squires, and C. Schoen, *Mirror, Mirror on the Wall: How the Performance of the U.S. Health Care System Compares Internationally*, 2014 Update, The Commonwealth Fund, June 2014.



The US experiences constant recalls of medications, medical equipment and products due to contamination, physical malfunctions, manufacturing defects and much more, often in life-threatening situations. We have catheters that disintegrate on insertion, saline drips that are not only mis-labeled but contain bacterial and physical contaminants, mis-labeled drugs and medications, widespread lack of sterility, contaminated transfusion blood products and other defects too numerous to mention. In the last ten years alone, the US government has levied fines of more than \$20 billion against US medical companies for making false and misleading claims about medications, for illegal marketing of unsafe and other products, promoting products and medications for unauthorised uses, for hospitals, doctors, and insurance companies systematically defrauding

the Medicare system of billions of dollars in fake charges, and much more.

In 2010, the US FDA paid an inspection visit to J&J's main manufacturing plant in Port Washington that produced more than 50% of all the cold medicine in the US, plus most of the pain-killers and other medications. **The facility was discovered to be so filthy and non-sterile, with so many serious issues that within a day the government ordered the entire plant shut down.** [\(28\)](#)[\(29\)](#) [\(30\)](#) Supposedly sterile areas had open holes in the roofs that fully exposed medications to outside contamination, and many statements were made about grossly negligent and substandard production and methods. In addition, J&J's procedures in their facilities throughout the US were of such low standard that **the FDA issued more than 50 product recalls. J&J were levied an enormous fine, but had sufficient influence to prevent the FDA from releasing any details of the case, and no executives were charged.** The government permitted the company to reopen its main facilities only with the permanent presence of a huge staff of FDA inspectors who would examine and verify every small batch of every J&J product before permitting shipment.

More recently J&J's baby lotion was discovered to contain a harmful mineral oil, used only because it was less expensive than the natural oils previously used. As well, many J&J baby products were found to contain paraben and formaldehyde, chemicals used in preserving mummies and other dead bodies.[\(31\)](#) J&J's baby products produce 75% of the company's total consumer-care profit and more than 50% of the company's total profit. With J&J as with virtually all American firms today, the many shrewdly-planned violations of ethics and law have a high rate of success and, if discovered, are typically viewed as PR problems to be dealt with through media manipulation. J&J built their business during almost 100 years of branding, using Bernays' manipulative propaganda methods to build a veil of trust for their baby products in the minds of consumers but, as with most American companies and products, that reputation is today quite undeserved.

Federal authorities recently raided the **Sacred Heart Hospital in Chicago**, as well as the premises of its owner, executives and doctors, for what authorities called a "far-reaching" Medicare extortion and kickback scheme that included unnecessary, invasive and deadly medical procedures. **Doctors would deliberately over-medicate**

**patients until they were unable to breathe on their own, then perform an unnecessary tracheotomy, for which they could charge the Medicare or insurance systems \$160,000 each. Fully 25% of the patients subjected to these procedures died, but the hospital was hugely profitable.** Edward J. Novak, the hospital's owner, arranged a massive "patient-hunting" scheme to unnecessarily transfer patients from nursing homes, regardless of medical need, solely to perform this procedure which was only one in a long list of crimes contained in a 100-page affidavit of charges. [\(32\)](#) Other American hospitals have exhibited similar criminality that included illegal organ removal and harvesting, unnecessary cardiac bypass surgery, excessive prescriptions for medication, excessively expensive treatments, and much more.

American nursing home operators are in a frenzy to obtain a beach-head in China, with their dreams full of sugar plums and revenue streams, but China, like many other nations, will have many decades to regret their presence if this onslaught is successful. One of the dangers of course is that many American "best practices" comprising their mantra of free-market capitalism are never listed in their Table of Contents, and are discovered only after it's too late to undo the damage.

**One of these practices, repugnant and anti-social as is most of American capitalism, is clever push to take full legal control over the bank accounts and assets of nursing home inmates.** In the US, and in many other countries, it is possible to be appointed as the legal guardian of a person who may have diminished capacity due to age or illness, giving one full power of attorney over that person's assets, including the freedom to spend them as one sees fit. **American nursing home owners are now pursuing this avenue with a vengeance, then ensuring they manage to deplete the victim's entire asset base before death.** When successful in obtaining these appointments, the monthly nursing home fees often double immediately as to charges for medication and other treatment. Of course, it's an abuse of the law which is meant to protect the elderly from the wolves, but in this case it's the wolves who become the guardians. For their part, the nursing home owners claim this is simply a practical matter of "bill collection", of ensuring the revenue stream accrues to them instead of a competitor, but this is based on the assumption that revenue stream is their property to be protected, and the driving force is blind greed, not safety.

As well, **the level of care for those admitted to many American hospitals is so appalling as to stagger our imaginations.** The famous **Walter Reed Army Medical Center** has been held out for generations as the epitome of high-quality medical care, especially for military veterans but, like so much else in the US, the stories were propaganda myths. The Washington Post published an investigative series of articles detailing severe cases of unsatisfactory treatment, patient neglect, and shoddy conditions. Soldiers suffering from brain injuries or with amputated limbs would languish for months in vermin-infested quarters while waiting on financial approval for treatment. **The article described the facilities as rat and cockroach-infested, with stained carpets, cheap mattresses covered with black mold, the floor covered with feces, often no heat or water available,** and with drug dealers often perched outside. Many soldiers died from exposure to this 'best practices' American medical institution. [\(34\)](#) [\(35\)](#) [\(36\)](#)

And Walter Reed was by no means the worst of these. The US government built an enormously expensive medical hospital in Afghanistan, the **Dawood National Military Hospital** that proved to be more of a crime than the Afghan war itself, if such a thing were possible. According to the reports from investigators, **"Patients were lying in filth, in some cases starving and with grotesque bed sores. One patient was on the brink of starving to death."** Patients were left for months with open and untreated wounds, left for weeks with infected and soiled dressings, given surgery without any anesthetic or pain relief, remaining conscious during the entire surgical process. Even in the operating rooms, conditions were never sterile, and a great many patients died. They produced photographs of **maggots crawling out of patients' open wounds**, and open baths of blood draining out of soldiers' wounds, the floors covered with feces. Many patients were abandoned until gangrene or other complications set in, but for years officials refused to address any of the problems. The hospital was available to the local public civilians, and **many Afghan families sold their farms and went heavily into debt to obtain "American-quality" medical care at the Dawood hospital.** [\(37\)](#) [\(38\)](#) [\(39\)](#)

The **Johns Hopkins Hospital in Baltimore, Maryland**, is one of the premier health care facilities in the US, ranked number three in the nation. It claims to be one of the top medical centers in the world, one that "sets healthcare standards in patient care and research". **One of those world-class research activities would appear to be gynecological photography.** In 2014, the hospital agreed to pay

\$190 million to more than 8,000 women and girls when it was discovered one of their physicians had been taking sexual photos of patients for almost 15 years. It appears that female patients were routinely called to the hospital for (usually unnecessary) vaginal examinations, during which the doctor surreptitiously used a mini video camera to photograph his more than 12,000 patients in exhaustive personal detail. The police later discovered more than 1,200 videos and a great many still images - what they described as "an extraordinary amount" stored on computers in his home. This is by no means the only case of this kind in the US. [\(40\)](#)[\(41\)](#)[\(42\)](#)[\(43\)](#)

Large corporations have taken over the US government to the degree that corporate crimes are now considered detached from, and contain no personal responsibility on the part of, their executives and management. In the many cases like those I have detailed elsewhere, the companies paid fines but no executives were charged, in spite of the criminality and sometimes massive death tolls. These medical crimes, and legal claims, had become so prevalent in America that the large pharma companies successfully lobbied the US government for immunity from prosecution for their crimes. A few years ago, the FDA - the same FDA, it should be noted, that American corporations use as a health care and food safety "quality reference" - instituted a new federal policy stating that FDA approval overrides most claims for damages against medical device makers and pharmaceutical manufacturers, giving them full protection from lawsuits even if they were discovered to have submitted fraudulent clinical trial data to the FDA in their applications for approval. American consumers who experience serious health consequences from unsafe medications or faulty medical devices now have little recourse.

**Merck Pharma marketed their Vioxx medication for ten years knowing it was causing heart attacks and killing perhaps as many as 500,000 patients but refused to pull the drug because it was producing billions in profits.**[\(44\)](#) US-based **Medtronic** was selling its **faulty pacemaker** long after the manufacturer knew it was defective and there was great risk of patient deaths.[\(45\)](#)[\(46\)](#) Medtronic is also famous for the gigantic fraud on its bone fusion product called **Infuse Bone Graft** where its clinical studies either ignored entirely or downplayed serious adverse complications from using the product in spinal fusion surgery. In all, 15 surgeons published 13 clinical studies for Medtronic that praised the product while failing to report any adverse reactions. The other thing they failed to mention was that **Medtronic had paid each of them from \$12 million to \$16 million for each study.** Industry insiders have testified that



these firms often corrupt their own experimental data, recording fabricated results to justify marketing a profitable but toxic, or even lethal, product. [\(47\)](#)[\(48\)](#)[\(49\)](#)

In 2013 there were persistent reports that as many as **100 million Americans may have received polio vaccines that were contaminated with the carcinogenic Simian Virus 40**. The information was posted on websites of the U.S. Centers for Disease Control and Prevention, and then removed, but it appears that part of **the cause of the large increase in cancers may be due to contaminated vaccines** which, in at least this case, remained contaminated for about ten years. [\(50\)](#)[\(51\)](#)[\(52\)](#) In an unrelated case, a court case was initiated by two virologists formerly employed by **Merck** who accused the firm of **falsifying vaccine data for more than a decade** and thereby profiting hundreds of millions of dollars by selling useless medications through the health system. The virologists claimed in their submission that Merck falsified data, spiked blood samples with animal antibodies to create the appearance of human immune system responses, destroyed the evidence of their actions and lied to FDA investigators. They also claim to have been threatened by Merck with prison sentences if they reported the fraud to the authorities. But in spite of all this, it seems the US government avoided taking action and simply ignored the claim. [\(53\)](#)[\(54\)](#)[\(55\)](#) There are many documented reports of this kind emanating from the US medical community, all collectively putting the lie to American claims of medical supremacy.

In November of 2014, Tom Blackwell wrote a useful article in Canada's National Post in which he detailed the soaring number of alerts and recalls for **defective prescription drugs** that has hit Canada like an epidemic in recent years. [\(56\)](#)[\(57\)](#)[\(58\)](#) He didn't specifically mention the situation in the US but it is worse there than in other Western nations. The two most common defects were related to unstable packaged medications that degraded long before their expiry date, and bacterial and other contamination. Many doctors have expressed severe concerns that these flawed medications can produce not only severe and unexpected side effects but often result in death. With American pharma companies controlling such a large portion of the world's global drug-supply chain, and being so pathologically driven by profit-maximisation, it is not surprising that the quality of these American products, as will all others, suffers badly in this process. One accusation made of Indian pharma manufacturers - often owned by American firms - is that they are simply exporting their garbage. The landscape becomes even more treacherous when medical researchers

discover that these same pharma companies, as well as their governments, are only too eager to launch massive lawsuits against anyone revealing these crimes to the public.

## The Physicians' Oath: First, Do No Harm

“ I will prescribe regimens  
for the good of my patients  
according to my ability  
and my judgment and  
never do harm to anyone ”

Hippocrates



An important feature of the American medical landscape is malpractice insurance, which all US physicians need to cover them when they are sued for either doing something illegal or criminal to their patients or when they remove the wrong kidney or amputate the wrong leg - mistakes that happen more often than you might imagine. The court awards for such serious medical errors can be large, so it isn't a surprise all physicians want a malpractice insurance policy. What is a surprise is that this insurance can easily cost \$300,000 to \$400,000 per year - if an insurance company will give it to you at all. Surely one reason for the high cost is the large court awards, but another factor is the frequency of these claims against incompetent physicians and dishonest hospitals, of which there are countless thousands in the US every year.

China is flooded with claims about American medical standards being international world-class, the best in the world. Surely it isn't true that American doctors make so many mistakes that many of them can't even buy insurance? But it is true, and it seems everyone but the Chinese know that it's true. American doctors are just as sloppy, careless, unprofessional, uneducated, negligent and criminal, and just as prone to making stupid mistakes as are doctors in any other country. In July of 2014, the UK Independent reported an event that somehow never made the news in the US. A patient was suing doctors and a

hospital in Birmingham, Alabama, for 'missing body parts'. It seems that **when he awoke from the anesthetic after what was to have been a simple circumcision procedure, he discovered that his penis had been mistakenly amputated** and that nobody at the Princeton Medical Centre was able to explain why. (59) The hospital vowed to "vigorously defend" itself against the lawsuit, on grounds not immediately clear.

If you think that's bad, consider Duke Hospital, which is ranked very high nationally and No. 1 in North Carolina, and connected with the world-famous Duke University which is now bringing its "best practices" to China. The hospital was recently (2015) sued for medical malpractice after Dr. Christopher Mantyh, Duke's head gastrointestinal surgeon, removed a small portion of a patient's intestine as a "constipation treatment", but then somehow **connected the woman's intestine to her vagina instead of her anus**. True to form, Duke's physicians maintained that this event "**did not meet the requirements for a medical negligence claim** because it did not conform to a legal doctrine that says that . . . only an expert would be able to determine whether malpractice occurred." The court disagreed, stating that "it requires no expert testimony to understand that feces are not meant to be excreted from the vagina". And, in further dissembling, Duke said "the hospital had the utmost confidence in the doctors who operated", ignoring the question of whether the patient shared this confidence.

The situation with hospital errors and malpractice is so bad that **the US Medicare system now has a list of several thousand American hospitals for which it refuses to reimburse charges and expenses due to the high rate of medical errors discovered after discharge**. These include surgical complications, failed treatments, problems from inappropriate medications, and even death, all resulting from physician error, incompetence or negligence. The problems with medical errors and incompetence have reached such an epidemic stage that patients checking in to US hospitals will now be refused treatment unless they first sign a contract that legally prohibits them from ever revealing the existence of medical errors and incompetence by the hospital or the physician. In addition, if you are the victim of a medical mistake and seeking payment for damages, **hospital lawyers will demand as a condition of any settlement that you never speak publicly to anyone about your injuries resulting from the incompetence of the doctor and the hospital**.

The rate of "**patient rebound**", that is, those patients requiring readmission to the hospital soon after discharge because of faulty treatment and medical errors has become virtually an epidemic of its own in America. One recent study documented that in the US, twenty percent of all patients will land back in the hospital within a month. According to one American healthcare expert, this problem of re-admission (rebound) is fueled by the brutal determination for profit maximisation by privately-owned for-profit hospitals. In addition to the sloppy medical care and incompetent staff, hospitals eager to fill their beds and earn more money will often **deliberately discharge patients prematurely since they receive extra payments for every new re-admission.**

Another American "best practice" is one known as "**Patient Dumping**", a procedure that normally terminates with a patient dying in a hospital's parking lot for lack of treatment. US law forbids even privately-owned, for-profit hospitals from refusing emergency medical treatment to a patient in distress, regardless of that patient's ability to pay. But investigators produced a list of more than 500 hospitals that regularly violated the law by 'dumping' their patients - hospitals determined to avoid a financial loss by refusing treatment and 'referring' the patient to another hospital. Most hospitals refused even cursory examinations and often misled patients on the availability of free emergency care. As you would expect, the results are often tragic, with women having miscarriages in hospital waiting rooms or in a taxi on the way to another hospital, or patients dying of heart attacks in waiting rooms while being refused treatment. Many women have lost their babies or watched their children die while being shunted from one American hospital to another in a search of a human doctor who will treat them without a VISA card.

There is an even more sinister side to this practice. It apparently occurs with some frequency that **patients desperately needing immediate (but expensive) care are instead given some powerful painkillers and discharged to return home - where they often die by the next morning as they were expected to do.** Of course, this is criminal recklessness if not outright murder, but American hospitals are not charities and they can usually avoid legal liability by claiming ignorance of the patient's condition. The truth is that throughout the entire United States, thousands of individuals with potentially life-threatening conditions are denied basic medical services at many, if not most, hospital emergency rooms. In most cases, they

enter an interminable cycle of 'referrals' from one hospital to another until they eventually die in the parking lot or the taxi. **This is the true face of the American for-profit medical system.**

In 2012, An American doctor named **Marty Makary** wrote a devastating article on the quality of American health care, titled, "**How to Stop Hospitals From Killing Us**", in which he detailed the carelessness and professional incompetence that pervades the system, extending throughout the most well-known medical institutions.[\(60\)](#)[\(61\)](#)[\(62\)](#) Here is a brief excerpt from his article:

"When there is a plane crash in the U.S., even a minor one, it makes headlines. There is a thorough federal investigation, and the tragedy often yields important lessons for the aviation industry. Pilots and airlines thus learn how to do their jobs more safely. The world of American medicine is far deadlier: Medical mistakes kill enough people each week to fill four jumbo jets. **U.S. surgeons operate on the wrong body part as often as 40 times a week. Roughly a quarter of all hospitalized patients will be harmed by a medical error of some kind. Medical errors are the sixth leading cause of death in America.**" As doctors, we swear to do no harm. But on the job we soon absorb another unspoken rule: to overlook the mistakes of our colleagues. Because of this, these mistakes go largely unnoticed by the world at large, and the medical community rarely learns from them. The same preventable mistakes are made over and over again, and patients are left in the dark about which hospitals have significantly better (or worse) safety records than their peers."

**Makary** related the story of one internationally-acclaimed American hospital that had heart surgeons whose patient mortality rates were one in six, while other good hospitals had only one death per hundred patients. One study that appeared in the *Journal of Internal Medicine* stated that **each year about 200,000 US patients experience cardiac arrest while hospitalized and fewer than 20% of them survive to discharge** - a death rate greater than 80%, for heart attacks that are either hospital-induced or were otherwise preventable. An examination of medical errors and mortality rates at American hospitals reveals enormous differences in staff competence and general care quality. In one case a study was done on the survival risks from strokes in Atlanta, Georgia, concluding that **a patient's risk of dying increased by about 20 times in the poor-quality**

**hospitals.** Unfortunately, patients seldom have sufficient information available on the death rates of various hospitals.

Makary again: "I encountered the disturbing closed-door culture of American medicine on my very first day as a student at one of Harvard Medical School's prestigious affiliated teaching hospitals. Wearing a new white medical coat that was still creased from its packaging, I walked the halls marveling at the portraits of doctors past and present. On rounds that day, members of my resident team repeatedly referred to one well-known surgeon as "Dr. Hodad." I hadn't heard of a surgeon by that name. Finally, I inquired. "Hodad," it turned out, was a nickname. A fellow student whispered: "***It stands for Hands of Death and Destruction.***" Stunned, I soon saw just how scary the works of his hands were. His operating skills were hasty and slipshod, and his patients frequently suffered complications. This was a man who simply should not have been allowed to touch patients. But his bedside manner was impeccable (in fact, I try to emulate it to this day). He was charming. Celebrities requested him for operations. His patients worshiped him. When faced with excessive surgery time and extended hospitalizations, they just chalked up their misfortunes to fate."

**Doctor Makary** went on to state that as he rotated through other hospitals during his training, he discovered his experience at Harvard was "no aberration", and that many prominent hospitals had a "Dr. Hodad" on staff, and often several of them. But he discovered also that **blowing the whistle on incompetent physicians could be a career-ending move**, and he wrote, "So, as a rookie, I kept my mouth shut. Like the other trainees, I just told myself that my 120-hour weeks were about surviving to become a surgeon one day, not about fixing medicine's culture." And he noted, as I have also done, that patients are increasingly being forced to sign a gag order prior to admission, promising never to say anything negative about their physician online or elsewhere, if they prove to be victims of a medical mistake. **This is Harvard, the supposedly fabled institution that the Chinese love to love - without ever checking facts.**

In 2013, **Dr. John T. James, Ph.D.**, prepared an extensive investigative report on the American hospital system titled "A New, Evidence-based Estimate of Patient Harm Associated with Hospital Care". [\(63\)](#)[\(64\)](#) This study was more believable than most because it had no external source of funding, meaning the results were not, as in so much other American so-called 'research', paid for by a corporate



sponsor who dictated the results. Dr. James' investigation was of the extent to which patients suffer physical harm and death due to errors and malpractice in the American healthcare system. He referred to an older study performed by the Institute of Medicine in 1984 which indicated that about 100,000 Americans (and foreigners) died in US hospitals each year from medical errors, after which he collected an enormous amount of new evidence and updated the study. His methodology seemed exemplary in that it examined all medical records in a search for abnormal laboratory, medication or other results that might have indicated "*an adverse event*" that might have harmed a patient, and he further conducted patient interviews and obtained the physicians' concurrence on these events before they were entered into the study as data for classification.

The most notable, and frightening, evidence produced by Dr. James' study was that "the true number of premature deaths associated with preventable harm to patients was estimated at more than 440,000 per year" in the US, and further that physical "serious harm" was done to patients at the rate of ten to twenty times this number. In other words, **440,000 patients die each year in American hospitals due to physician error and incompetence, and an additional four million to eight million patients suffer "serious, non-lethal harm"**. He further stated that these figures do not include the tens of millions of "near misses" that could have killed patients, but luckily did not. Dr. James stated bluntly in his study that to put this figure of preventable deaths into correct perspective, "this is roughly one-sixth of all deaths that occur in the United States each year". What more damning indictment could we have of the American medical system than this: that **between 15% and 20% of all deaths that occur in the US each year result from incompetent medical treatment?**

He also stated that in this study, **"the investigators found only those errors that patients were aware had happened"**, and that there certainly were many more serious errors that went undocumented and were unknown to patients. In another similar study, Weismann discovered that evidence of many serious adverse events were not known because medical records were not available to clinicians and the malpractice "only came to light during autopsies", which revealed that **deaths resulted from complete misdiagnoses of the patients' conditions in as much as 40% of all cases**. In particular, James openly faulted American physicians and hospitals for egregiously causing an estimated 100,000 premature deaths from heart failure alone each year, simply from a negligent failure to prescribe necessary medication.

His conclusion was that the increasing demands for "production" in **the American for-profit hospital system had created "an epidemic of patient harm"** that he claimed was largely ignored and that "must be taken much more seriously" if this epidemic were to be curtailed. He insisted that patients, and perhaps their lawyers, needed to be "fully-engaged" during their care, to the extent of interviewing every patient to identify errors that might otherwise be hidden, and that there must be instituted a nationwide policy of "transparent accountability for harm". He stated that the picture was complicated by "a lack of transparency and limited accountability for errors that harm patients". He concluded that the for-profit aspect of the American hospital system was largely driving the increased risk in preventable medical accidents and deaths, and that these preventable events were "frighteningly common" in what he described as "this poorly integrated industry".

More ominously, Dr. James quoted a national survey showing that **"physicians often refuse to report a serious adverse event to anyone in authority"**. He stated that cardiologists were the highest non-reporting group and that "two-thirds admitted that they had recently refused to report at least one serious medical error, of which they had first-hand knowledge". He said "It is reasonable to suspect that clear evidence of such unreported medical errors often did not find their way into the medical records of the patients who were harmed." There has also emerged substantial evidence of medical and legal fraud in concealing these medical "errors and accidents" on the part of American hospitals. Dr. James wrote that there had been many anecdotal accounts of **"data altering or omission of critical data"** when medical errors or malpractice were alleged, and stated that this epidemic of medical and hospital errors and malpractice "must emerge from behind the 'Wall of Silence'" and be brought into the open. As one example, "In a study that broke past the "wall of silence" of medical errors that were missing from medical records, Weissman found that 6 to 12 months after their discharge, **patients could recall 3 times as many serious, preventable adverse events as were reflected in their medical records. To make matters worse, most American hospitals apparently delete all records of deaths and serious injuries caused by their incompetence and malpractice,** to the extent that only 14% were ever entered into the hospitals' incident reporting system. If this isn't clear, the studies documented that in all the cases of errors, mistakes, accidents and other events resulting from carelessness, incompetence and malpractice, **over 85% of the patients' records were falsified**, either deleting the events altogether, or altering the factual record. This was so true that patients identified three times as many serious preventable accidents

than were recorded in their medical files, that 75% having been deleted, and with patients by no means being aware of all medical errors inflicted on them.

Dr. James stated that many physicians have made the US Congress aware that "the hospital peer-review system has widespread failures that permit negligent care by physicians", and concluded that the only safety and protection for patients in the American hospital system was for (1) full patient involvement in every aspect of their care, so that the patients themselves could "take the lead" in reducing the risks of fatal mistakes to themselves, and (2) patients participating in "rigorous follow-up investigations" after their care, so as to identify these errors and their causes. This is tragic indeed, when a leading physician informs the American public that their only protection from incompetent medical treatment and outright malpractice, is for the patients (perhaps with the presence of their lawyer) to take full responsibility for their treatment including "a rigorous investigation" of any unfavorable details of that treatment. Dr. James concluded that American hospitals "are simply not going to heal" without this systematic listening to their harmed patients "or their survivors".

To add fuel to this fire of safeguarded incompetence that has for so long insulated physicians and hospitals from responsibility for their actions, is the fact that 40 years ago California imposed a low upper limit on compensation payments to patients who had suffered serious injuries or death due to medical errors and malpractice. This cap was created primarily to protect insurance companies from what would have been a massive and increasing flood of claims, but also to limit the premiums doctors and hospitals would have to pay for malpractice insurance. In late 2014, Ralph Nader wrote an excellent article on what he called the epidemic of "deadly and destructive medical negligence and incompetency" that plagued the state, and encouraged voters to eliminate this financial cap. California Governor Jerry Brown was quoted as blaming "insurance company avarice" and stating that the laws had "an arbitrary and cruel effect upon the victims of malpractice". He further stated that this had "not lowered health care costs, (but) only enriched insurers and placed negligent or incompetent physicians outside the reach of judicial accountability".

New proposed legislation contained yet another devastating indictment of the American medical system, that of medical incompetence due to alcohol and drug use on the part of the physician, which was identified

as a "serious factor in rampant medical negligence". In other words, doctors performing operations while drunk, stoned, or at least with their judgment impaired by drugs or alcohol. The new California law proposed stringent random drug and alcohol testing of all physicians who worked in a hospital or had admitting privileges. Even more distressingly, immediately upon the discovery of any medical error, hospitals would have to perform mandatory drug and alcohol tests on all physicians who had attended that patient during the prior 24 hours. The legislation proposed to increase compensation for people "harmed by careless or reckless healthcare providers" and to "protect patients against doctors who are substance abusers". **This is the true picture of the American medical system environment today, a far cry from AmCham's absurd and patently false claims of "best practices" and "cutting-edge" medical procedures.** And true to form, the corporations that control all branches of American government had great support from the media in condemning these proposals for legislation to protect the public, **the LA Times claiming that the proposed legal measures to protect patients from criminally-negligent physicians and hospitals were "too flawed to be enacted into law".**

**If you Don't Die in the Parking Lot,  
You May Well Die in the Hospital**



The number of needless and preventable deaths in American hospitals has reached epidemic proportions. Preventable deaths in hospitals, due to simple mistakes, sheer negligence, and physician incompetence, are

now the leading cause of deaths in America. One popular article claimed, with some documentation, that **doctors and hospitals killed nearly 800,000 people each year.**[\(65\)](#) It claimed that an average American is 65 times more likely to be killed by a doctor than by a gun, a rather surprising statistic since the US has only 700,000 doctors but 350 million guns. Even the very cautious ProPublica stated that the minimum of such deaths is at least well over 200,000 to about 450,000 per year. [\(66\)](#) The truth is that no one knows for certain because there's never been an actual count of the number of patients in the US who experience preventable harm, and because of consistent and often gross inaccuracies in medical records and the reluctance of doctors and hospitals to report mistakes. The stated research said that **"hospital reporting systems and peer-review capture only a fraction of patient harm or negligent care"**.

This is of course a difficult area to research, since few physicians when completing a death certificate will enter under 'Cause of Death:' "I made a mistake", or "removed heart instead of kidney", and indeed physician and hospital errors are known to be dramatically under-reported, usually to deflect financial liability and avoid criminal prosecution. Researchers must therefore collect and examine a great deal of detail (which may not always be available) on each death and make independent assessments. Allen's article ended with one medical executive saying that debating precise numbers was pointless because the real issue is that "even the lowest estimates expose a crisis" in US healthcare and that "Way too many people are being harmed by unintentional medical error, and it needs to be corrected". In 2014 the UK Guardian ran an article titled **"Licensed to Kill"**, referring to the so-called "shield laws" in much of the US that free hospitals from legal liability for the mistakes of dangerous doctors and their fatal 'mistakes'. The situation is that **hospitals in the US typically cannot be held liable for patient deaths unless it can be proven they instructed a doctor to kill a patient.**[\(67\)](#)

Further, the so-called side effects of new and poorly-understood medications are increasingly cutting a wide swath of death through the populations of Western countries, especially including the US and Canada. These events are now termed "adverse drug reactions" or, more innocently-sounding, "ADRs", and are estimated to cause well over 100,000 deaths per year in the US alone, making them one of the leading causes of death in America. According the Journal of the American Medical Association, **the incidence of "serious and fatal adverse drug reactions was found to be extremely high"**. Researchers at the University of Toronto performed an analysis

of studies at US hospitals for the past 30 years, to determine the frequency of harmful and unintended effects of medications, and found that nearly 10% of all hospitalised patients experienced at least one of these events every year, which would make this the fourth-largest cause of death in the country. The researchers noted their estimates are conservative, with no allowance for the administration of the drugs or other therapeutic failures. In other words, the deaths did not result from physician or pharmacist error, prescriptions of the wrong medication, or accidental overdoses, but simply due to the already-known and often fatal side effects.

The Americans, apparently without shame, frequently introduce the question of medical ethics, lecturing the Chinese on the need for public confidence and of the dangers to patient health and life posed by unethical practices. They are eager to inform us that, by adopting their recommendations, China would be following the "clear rules and industry codes of conduct that exist in developed markets like the US" where medical decisions are based only on "the best interests of the patients". One of AmCham's annual reports solemnly claimed that US companies are "subject to US regulations" and that this "holds US companies to a high standard of conduct while operating in China, which domestic Chinese companies do not necessarily follow". When I read this, I didn't know whether to laugh or cry.

To suggest that US medical companies have a higher standard of conduct than do Chinese firms, is to be a liar of truly bizarre proportions. For any American, but especially an organisation like AmCham that knows the truth about American medical ethics, to have the gall to promulgate such rubbish is almost too surreal to comprehend. On a matter as critical as health care, lies of this magnitude border on being criminally irresponsible and should be punishable by heavy fines and imprisonment.

The Americans tell us, and I think too many Chinese have a tendency to believe, that many Chinese cities are lacking in quality medical services, at least when compared to the US. It is true that in large US cities high-level medical care is available to anyone with enough money to pay for it. No argument there. But I can make the same claim about any of the world's largest cities, including those in China. In every country, medical care in the very large cities is always better than in any small town, but this statement misses the real point, which is that the Americans invariably compare their best to China's worst,



essentially claiming that their highest level of anything exists universally throughout America, while implying that China's worst exists uniformly throughout China.

To dispel the foolishness of this notion, I would be happy to take a group of Chinese officials on a tour of some of America's small towns or into the poor quarters of cities like New Orleans, Detroit or Chicago, and show them the difference between China's best and America's worst, in terms of medical care.

The Americans flaunt their alleged supremacy by insinuating that everything in China - at least everything the Americans might see as a profit source - is somehow of lower quality, and that only by allowing the Americans free rein to bring in their practices and standards will China be able to survive. It is long past time to expose this foolish American ideology for what it is: disingenuous and self-serving propaganda meant to put China on the defensive and obtain yet more freedom for Americans to plunder the nation. **For China to inflict the incompetent and destructive American privately-owned for-profit healthcare system onto its own citizens would constitute a perverse collective punishment of the Chinese population. It is reckless and irresponsible to make the Chinese people pay the price of someone's foolish and misguided worship of things American.**

**As with everything else American, the image of superior health care is a lie, a product of propaganda and brand marketing.** The Americans compare all portions of their medical system not to the real world of facts, actions and results but to yet another utopian ideal that exists only in their imaginations, and it is this ideal they proselytise to themselves and the world. Not only are the facts and actions ignored, but the propaganda machine spares no effort to promulgate reams of fictional mythology on which Americans and others base their view of the US. **One such myth was created and published in China by the despicably-seditious Western mouthpiece Caixin Global News to encourage wealthy Chinese to travel to the US for their (usually expensive but often fatal) medical treatments:**

The story was lovely, a beautifully-penned comparison of the tragically-primitive level of Chinese medicine with the almost supernatural

healing powers of American physicians and hospitals. In the story, a beautiful and caring Chinese wife was distressed to learn that both her husband and her best friend had contracted a serious life-threatening illness at the same time. Her friend, who had some money but was unwise and stingy, chose to enter a Chinese hospital for treatment which lasted an entire year. During most of that year, the poor woman suffered terribly due to neglect, to incompetent Chinese physicians who repeatedly mis-diagnosed her illness and frequently could do no better than compensate with excessive medication which left the poor girl barely coherent, lying in her bed like a zombie, part animal and part vegetable, floating in and out of consciousness and constantly racked with pain.

But this lovely caring woman and her husband were fortunate to have not only money but wisdom so she, smart and caring as she was, decided to risk their savings on American-quality health care. Having made this decision, she packed up her beloved husband and shipped him to one of the many 'internationally-acclaimed' American hospitals where he was immediately smothered with loving care by pretty nurses and handsome doctors. His condition was accurately diagnosed the first time and, though his illness was indeed life-threatening, the overly-qualified and even more overly devoted American professionals never left his side. To cheer him up, they told him stories and sang songs, celebrated his birthday with a genuine Mickey Mouse cake, and never once gave him the wrong medication. Finally - no surprise - he was pronounced cured and permitted to return home after one year. It's true he was poorer by 36 million yuan, more or less, but the important thing was that he was alive and healthy again. And then, in a truly remarkable coincidence of fate, this loving Chinese woman and her dearly beloved husband celebrated their first day of good health back in China by attending the funeral of the woman's best friend who had finally paid the price for trusting Chinese medical care.

**Cute story. Too bad it never happened. The Americans are experts at producing this kind of ideological tear-jerking bullshit and then paying both a reporter and a newspaper a lot of money under the table to get the story published. They do it at home, they do it in Canada, in Hong Kong, and they certainly do it in China. And, I'm sorry to say there are too many people in China who will read this rubbish, wipe the tears from their eyes, and resolve to head straight for the airport at the first sign of a headache.** And none of them will apparently think to consider the credibility of the story, to check the facts, or to follow the money. Caixin appears to have had considerable coaching in promoting

medical tourism in China for the benefit of their American/Zionist sponsors.

In spite of all the above, the Americans and the Zionist media owners (who also own or control much of the US healthcare scene) are very busy publishing false propaganda that praises the US while denigrating China, like an article in the WSJ - "China's Healthcare System Plagued By Unprofessional Doctors", (68) claiming that patients in China are a "cash cow" and informing us that "China needs to install a moral compass in its doctors". And another titled "Falling Through the Cracks of China's Health-Care System", telling us that "Millions of Migrant Workers Can't Pay Their Medical Bills or Tap Insurance Benefits", neglecting to mention the countless thousands dying in the parking lots at American hospitals because they have no medical insurance or VISA card. (69) The article moans that in one case, "Despite a lifetime of work, the 26-year-old waitress couldn't pay for [a bone-marrow transplant]". Perhaps I'm being picky but, for a 26 year-old, her 'lifetime of work' would likely span about two years after graduation. Not much time to save the \$30,000 necessary, but the article's (unnamed) author neglected to mention that the cost of such a procedure in the US is about \$800,000 and almost never covered by insurance, leaving us to wonder how many Americans could have saved this much "despite a lifetime of work".

**There are far too many Chinese who are much too eager to believe that anything done in the West must somehow be superior to things in China.** They aren't superior; this flood of American propaganda is becoming obnoxious and dangerous, and needs to be silenced. China leads the world in many medical practices, and is equal to any Western nation in most areas. **In the vast medical grasslands of America, there are only two mountains: one is a pile of cash and the other is a pile of dead bodies. Everything else in the landscape is just little hills like you see everywhere.**

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## America's Labor Movement and the Post-War Social Contract



"In contrast to most other industrialised nations, neither the US government nor its corporations have ever held workers or employees in much regard, and the US never accepted the concept of labor unions. Unions were always denigrated in the media as a kind of dangerous socialism that would exploit workers, but it was actually North American capitalism that exploited workers while socialism that attempted to protect them."

Thanks to the media, most Americans today still have this understanding backwards from reality. As we will see, there was a brief period after the Second World War during which an intense fear of social unrest produced a kind of "enlightened corporate self-interest" that resulted in a benign labor landscape, but that illusion was dispelled

by the 1980s and The Great Transformation, with union membership fell by about 70%, largely through the harsh capitalist and legislative climate. The majority of American workers still wanted (and needed) labor unions, but the anti-union conspiracy was too powerful.

From almost its earliest days, The **FBI infiltrated labor unions** and installed corrupt officials in attempts to destroy them from the inside. This was done under the pretense of combating "labor racketeering", some of which actually existed, but the infiltrations were conducted primarily to undermine and destroy the unions.<sup>[1]</sup> When those attempts failed and labor organisers showed signs of being successful, they were either simply murdered or framed and convicted of crimes, and often executed. The US government has for all of its history acted with absolute disregard for the law, whenever the law became inconvenient to the purpose at hand. One of these purposes was the crushing of labor, where the government frequently not only fabricated criminal charges against union organisers but convicted them under laws that had never existed. In one famous case, labor organisers trying to create a mine workers union in Pennsylvania were charged by the state with murder and conspiracy. When these charges failed to hold, the organisers and about a dozen union members were hanged for "obstinacy".



*UAW leader Walter Reuther took a few minutes off from negotiating to speak at Cadillac Square, Sept. 4, 1961. Tony Spina, Detroit Free Press. [Source](#)*

In February of 2015, **Sam Mitriani** wrote an informative article titled "The True History of the Origins of Police: Protecting and Serving the Masters of Society",[\[2\]](#) that reflected accurately the origins and applications of the American justice system. **Much of this essay draws on Mitriani's writing plus extracts from various other documents, the original sources of which I wasn't able to identify. These are edited and with extensive footnotes added which were not in the originals, and are identified with quotation marks.** Here is a brief edited summary of Mitriani's comments:

"This liberal way of viewing the problem rests on a misunderstanding of the origins of the police and what they were created to do. **The police were not created to protect and serve the population.** They were not created to stop crime, at least not as most people understand it. And they were certainly not created to promote justice. They were created to protect the new form of wage-labor capitalism that emerged in the mid- to late-19th century from the threat posed by that system's offspring, the working class. Before the 19th century, there were no police forces that we would recognize as such anywhere in the world. Then, as Northern cities grew and filled with mostly immigrant wage workers who were physically and socially separated from the ruling class, the wealthy elite who ran the various municipal governments hired hundreds and then thousands of armed men to impose order on the new working-class neighborhoods.

"Class conflict roiled late-19th century American cities like Chicago, which experienced major strikes and riots in 1867, 1877, 1886 and 1894. [\[3\]](#)[\[4\]](#)[\[5\]](#)[\[6\]](#) In each of these upheavals, the police attacked strikers with extreme violence. In the aftermath of these movements, the police increasingly presented themselves as a thin blue line protecting civilization, by which they meant the bourgeois elite portion of civilization, from the disorder of the working class. This ideology has been reproduced ever since, and is still the foundation of American law and justice today, which is one reason corporate executives are virtually immune from prosecution for even the most egregious of crimes while the lower classes will suffer five years in a prison for a minor theft or smoking marijuana.

**"There was a never a time when the big city police neutrally enforced "the law" – nor, for that matter, a time when the law itself was neutral. Throughout the 19th century in the North, the police mostly arrested people for the vaguely defined "crimes" of disorderly conduct and vagrancy, which meant that they could target anyone they saw as a threat to "order." In the post-bellum South, they enforced white supremacy and largely arrested black people on trumped-up charges in order to feed them into convict labor systems. The violence the police carried out and their moral separation from those they patrolled were not the consequences of the brutality of individual officers, but of policies carefully designed to mold the police into a force that could use violence to deal with the social problems that accompanied the development of a wage-labor economy. The police were created to use violence to reconcile electoral democracy with industrial capitalism. Today, they are just one part of the "criminal justice" system that plays the same role. Their basic job is to enforce order among those with the most reason to resent the system."**

**Mitriani** told the story of the Auto Workers' **Walter Reuther**,

"whose socialist views were anathema to the owners of General Motors and other automakers", and he was several times severely beaten and eventually killed. "Once, during a time of heated labor negotiations Reuther was shot and seriously wounded in his home, that event followed by two more assassination attempts and the suspicious crash of a private plane in which he was travelling. Reuther survived those, but was finally killed in a second equally suspicious private plane crash, and the FBI still refuses to release the files on his death." "Aside from the deliberate killings and frame-ups, the US government, unique among nations, has a long and sordid history of using its military to suppress and brutalise its own citizens whenever they came in conflict with the capitalists who have always controlled the Congress and White House. It has also accumulated a history of equally sordid legislation designed to protect and enhance the profits of its corporate elite at the expense of the people of the nation."

"These attitudes toward the lower classes had been embedded in American capitalist and government DNA since the first days of



the Republic. Prior to the late 1800s most people were either engaged in farming, owned a small shop or perhaps plied a trade like carpentry, blacksmithing or tailoring, the remainder eking a living from odd jobs and temporary employment. **During this time a massive social change resulted from industrialisation**, with large numbers of people migrating to the cities in search of employment, and therefore shifting from small farms or micro-businesses to being dependent full-time laborers. But it was true that for both capitalists and the government, these **workers and their desire for livable wages were seen as enemies of progress**. Workers were universally decrying their virtual wage slavery and lack of work safety while the government was equally universally and very callously employing the military to ensure the profits of capitalism.

"From the late 1800s, **the US military was one of the main tools of worker suppression**. In Chicago in 1894 US troops put an end to a strike by railway workers, by opening fire and killing dozens of workers. [7][8] Mining in the US was an extremely hazardous occupation and strikes by mine workers were common. In 1914, US troops opened fire on a group of striking mine workers in Colorado, again ending the strike by killing the strikers. A bit later, individuals trying to organise a labor union in a coal mine in Pennsylvania were shot and killed by the company management who were acquitted in a brief trial. **Even the police were not immune**; in 1919 a police strike in Boston [9][10][11] was ended when the military was called in to violently end the strike, and many police officers were killed. In the same year, a labor organiser in Washington was captured, tortured, castrated and then lynched.

"By the 1920s, US capitalists and the government had already developed nationwide plans to control workers and their wage demands, creating task forces to sabotage all union organisers and critics of capitalism and government. Many were imprisoned without charge and without access to legal counsel. **The military on many occasions used bombers to attack striking workers.**" In one large miners' strike in West Virginia in 1921 [12][13][14], several thousand soldiers launched a massive shooting war with about 5,000 striking miners, then added a chemical warfare unit and both bombers and fighter aircraft. When the strikers surrendered, the survivors were charged with treason and imprisoned. In 1930, hundreds of farm workers were beaten and arrested in California for attempting to form unions,



and convicted of “criminal socialism”. [15][16][17] **There are many dozens of examples spanning many decades, of the US military brutally and violently terminating labor strikes by killing the strikers.**

**The military weren’t immune, either.**

“In 1932, as the Great Depression became severe, almost 50,000 veterans from World War I, marched to Washington to ask the government to pay the \$625 bonuses they had been promised. [18][19] The soldiers, most with their families, camped on some flat land near the Capital to raise sympathy for their plight, but sympathy was not forthcoming. Instead, then-President Hoover sent in the police, a move that resulted in brutality, violence, and quite a few deaths. When that failed, Hoover sent in the active military to disperse the ‘dissidents’. **General Douglas MacArthur, then-Major Dwight Eisenhower, and George Patton, launched an assault on the encampment, flooding the camp with tear gas, then opening fire on their own veterans, injuring many thousands and killing many more, including the women and children.**”

It wasn’t only the US military that was engaged in these atrocities. **Many large corporations formed permanent armies of their own to be used against striking workers, John Rockefeller** being one of the worst, but by no means the only example. [20]

“In 1927, his private army massacred all the striking workers at one of his mines in Colorado with machine guns. A few years later, more groups of striking textile workers were murdered in North Carolina. In the early 1930s, more than 500,000 mill workers went on strike in South Carolina, [21][22] **a strike so violently suppressed by both US military forces and private armies that no one dared try to form a union for another twenty years.** In 1935, striking electrical workers at a plant in Toledo, Ohio were attacked and all killed by machine guns in the hands of thousands of US troops. [23][24][25] At the same time, police in San Francisco shot and killed several hundred peaceful dock workers during a strike, the outrage provoking a widespread strike in the entire San Francisco-

Oakland region. The media supported the outrage by claiming that "communist agitators had seized control of the city".

"One particularly infamous event known as the **Ludlow Massacre**, [26][27][28] one of the most brutal attacks on workers in North American labor history, involved a strike by coal miners against Rockefeller's inhumanity. The miners had been forced to work in extraordinarily harsh and dangerous conditions where fatality rates were very high and wages low. Further, they were paid with paper scrip which could be spent only in the company-owned store that carried very high prices. The mine workers succeeded in organising a labor union that then attempted to institute safety regulations and have increased wages paid in real money. A widespread general strike erupted when the mine managers killed a union organiser. Rockefeller responded by immediately evicting the miners from their company-owned houses, leaving them and their families homeless in a wilderness area in the middle of a harsh winter, beginning a seven-month siege of the miners.

**"The Rockefellers, like all industrialists in those days, took an astonishingly aggressive stance against the striking workers,** hiring hundreds of armed thugs to harass, beat and kill. His army drove armored cars with machine guns through the tent areas where the miners were camped, strafing all the tents with gunfire, killing many workers and their wives and children. When his private army proved insufficient, Rockefeller arranged for the government to send in the National Guard, ordered to empty the miners' camps, which they did by entering the camps with massive firepower and machine-gunning the encampment in a battle that lasted for almost 14 hours. **They set fire to the tents, burning alive many women and children, and shooting dead those trying to escape. As news of this inhumane massacre spread, workers all across the US went on a national strike, but the vicious brutality of the US government succeeded."**

**Rockefeller** wasn't the only elite capitalist to have his own private army for dealing with his workers. **Cyrus Eaton**, who owned the **Republic Steel Company**, deserves special notice, even in a nation dominated by ruthless criminal capitalists, for his tendency to shoot and kill anyone attempting to form a labor union. [29][30][31] His company maintained an armory of **weapons that included military-**

**grade firepower and chemical weapons.** During one strike, when police proved unable to disperse the strikers with multiple arrests, Eaton's army moved in with guns, tear gas and clubs, leaving most workers dead or injured, many having been shot in the back. In one case, Walter Reuther and his staff were severely beaten by the **Ford auto company's private military.** The **Carnegies** and other rich American elite industrial families all fit this same mold, but much of this history has been expunged from the texts and the Internet.

"Repression in the US has always had a different flavor than in other nations. **In America, any large corporation count on the assistance of the US military to support their predatory human practices,** but they could also form their own private military that would operate with almost total immunity when dealing with the working poor. For those companies without an army, there was a third option, this infamous source of brutality toward unhappy workers being the **Pinkerton Detective Agency** which, at the height of its power was the largest privately-owned law enforcement agency in the world and employed more men than the US military. **Corporations would hire the Pinkerton agency to infiltrate unions, intimidate workers and confront strikers with military-style violence.** This firm was bitterly hated by almost everyone who wasn't a major industrialist, the mayor of one US city described Pinkertons as "They are a horde of cut-throats, thieves, and murderers and are in the employ of unscrupulous capital for the oppression of honest labor." **Today, history has been cleansed of this evil history and Pinkerton are presented as one of the "Legends of America".**

"The problems with low wages, inadequate or non-existent worker safety, long working hours, the lack of medical care especially for work-related injuries, continued to build until 1945. During the Second World War, wages in the US were frozen while corporate profits reached extremely high levels, creating intense bitterness and resentment among industrial workers. During this 5-year period – when strikes were banned because of the war effort – the US experienced more than 14,000 strikes involving almost seven million workers, mostly in the mining, steel and auto industries. In almost every case, **President Roosevelt** *called in the military to forcibly put down these insurrections.*

"These labor problems increased after the war, when the wartime wage freezes and bans on strikes were removed. The first six months of 1946

was a period the US Labor Department now calls “**the most concentrated period of labor-management strife in the country’s history**”, when virtually the nation’s entire workforce finally rebelled against decades of brutality and injustice. As one author put it, “American workers en masse and in totality, filled with rage and frustration at their system-induced misery, finally reached the point where they were defiantly unwilling to slave in dangerous and low-paid occupations while the corporations and their elites celebrated unprecedented and stratospheric profits.” In January of that year, 200,000 electrical workers called a strike, followed by 100,000 meatpackers and a few days later almost a million steelworkers staged the largest strike in US history. This was quickly followed by several hundred thousand coal miners striking and disrupting the electricity supply for much of the nation, immediately followed by many hundreds of thousands of railway and oil industry workers. The US government, true to its roots, used the military to take control of all these industry locations and **President Truman** *threatened publicly to hang these striking workers whom he called traitors*, and for whom he proposed severe criminal penalties. It was in this environment of unprecedented social unrest that **Walter Reuther** finally met his end.”

**Then, and almost suddenly, the climate changed, due primarily to the very real fear among the elite of a second American revolution.** These circumstances of resentment and revolt were so widespread as to have rapidly created a society so unstable it had become ungovernable, with the nation in anarchy and facing an imminent economic collapse and very possibly a popular revolution. “**It was this that forced a revision of the social contract** with new norms that included a minimum wage and regular workweek along with regular and increasing wages and the expectation of steady and perhaps permanent employment. Holidays, health care and other benefits were eventually added. It was this new social contract of labor stability, increasing real wages and narrowing income disparity that produced the superior economic performance the US experienced for almost forty years. **The vast improvement in wages, working conditions and social equity permitted American factory workers for the first time in history to own their own homes, to drive cars, and to take vacations.** Perhaps even more importantly, this huge adjustment in the social contract, and the increased wages, produced for **the first time in American history a widespread access to higher education for children of the middle and even lower the class**, since American families could afford to abandon the meager income from child labor and leave their children in school.”

"It was these children born during and after the Second World War, **the first generation of Americans who grew up in an atmosphere of hope.** For the first time in American history, citizens reported hope for the future and expected their childrens' lives to be better than their own, none of these sentiments having existed prior to this. **It was only the universal and almost uncontrollable labor revolt and genuine fear of a widespread and total public uprising that produced these massive social changes that resulted in the creation of the American middle class.** All this was the result of America's brief **transformation from a brutal free market capitalist society to a socialist democracy, producing a period unprecedented economic growth."**

In typical American style, having been forced to abandon their sins, the elites not only took credit for their new excess of virtue but began to propagandise yet another historical myth with America suddenly being redefined as the land of opportunity, and **thus was born the American Dream. It was all propaganda.** American workers went in short order from being some of the most abused and brutalised laborers on the planet to those for whom life suddenly contained more than hopelessness and drudgery, and the propaganda machine, led by Hollywood, went immediately into high gear to convince Americans that things had always been this way – good, and improving. And they didn't stop there. The Dream expanded by the year, rapidly leaving behind thoughts of valuable but boring regular jobs to be replaced with dreams of riches and success that were possible in no other nation. And of course, the elite capitalists were busy plotting to relieve this new middle class of all its money by promoting consumerism and a 'standard of living', firmly entrenching the consumer society as a way of life. **It was all a hoax generated by a massive propaganda campaign perpetrated on a gullible public to replace revolutionary resentment against the elites with false hope for a fictitious future.**

This '**golden era of labor**', the new social contract and the attendant propaganda were not only a hoax and a myth but merely a temporary diversion while the elites regrouped. The industrialists and bankers, and their secret government, were never pleased with the financial sacrifices they had made in sharing money with the peasants of America, and the situation could never have lasted. Many authors and historians today agree that an operative plan exists to eviscerate the US middle class. Their conclusion is correct but many miss the essential flavor which is that **the top 1% are not stealing money from today's middle class; rather, they are reclaiming what had**

**always been theirs.** Their generosity in sharing wealth with the peasantry, and thereby creating America's middle class, was an anomaly forcibly thrust upon them which they are now reversing by recovering that wealth residing in the middle and lower classes. In simple terms, they want their money back. **Plans to bring to an end all that peasant hopefulness and confidence in the future, and to loot all those middle-class bank accounts, had already been made during the 1970s and were enacted with a vengeance when the US FED engineered the vicious recession in the early 1980s. And that was the beginning of the end.** The 2008 financial crisis, also engineered by the FED, was the middle of the process. The end is still to come, with yet another FED-induced calamity in the planning.

**James Petras** categorises the late 1970s and early 1980s as **The Great Transformation**, when the US government, the FED, the bankers and multinationals took their alarming ideological turn to the extreme right. This was when labor became disposable and the social contract between employer and employee was terminally severed along with all pretensions of loyalty, but this trashing of the social contract was not a result of the recession. Instead, **it was the purpose of Volcker's deliberately-engineered recession to facilitate the unilateral unwinding of the social contract that had existed for forty years,** and to redraw the financial and corporate landscape. At that time, one of Canada's major telecom companies, **Telus**, fired around 30% of their workforce in one quarter. Many were rehired the following quarter, but only as contract personnel at lower wages and without paid holidays, pensions, medical care or benefits of any kind, an effective wage reduction of about 50%. That was the plan followed by hundreds of corporations in North America, a coordinated frontal attack on the middle class.

"The plans for destroying the post-war social contract and reconfiguring the economic landscape were being made and put into effect almost immediately after the contract was first written. The economist **Edwin Dickens** examined records of the meetings of the **FED's Open Market Committee** from the 1950s to the present, with his analysis proving the FED's actions were consistently intended primarily to benefit the top 1% by creating conditions to make workers more insecure and therefore more compliant in terms of wages and working conditions. He identified repeated occasions where the FED deliberately contracted the money supply and credit immediately prior to the expiry of major union contracts, intending this to drive down wages and benefits during the impending negotiations. John Maynard



Keynes was warning the world about the FED and other private central banks when he wrote "the object of credit restriction is to withdraw from employers the financial means to employ labor at the existing level of wages and prices ... intensifying unemployment without limit, until the workers are ready to accept the necessary reduction of money wages under the pressure of hard facts." In other words, class warfare. Contrary to propaganda and popular belief, the US FED's policies have never been a matter of monetary discipline, but of class discipline through control of labor. **"The Federal Reserve serves the needs of the powerful. Its role is to protect capital against the interests of labor. In order to maintain labor discipline, the Federal Reserve Board is entrusted with the task of maintaining a level of unemployment high enough to keep workers fearful of losing their jobs."**

**"Volcker literally launched a class war on the working lower and middle classes of America,** his pronouncements about fighting inflation being only propaganda meant to keep the masses ignorant of the vicious assault he was planning against them. His first act was to tighten the money supply to such an extreme that he immediately plunged the country into the worst economic downturn since 1929, and let up only when the entire US financial system was itself threatened. During all of this blood-letting, Volcker's only interest appeared to be the terms of labor contract demands and settlements, stating repeatedly that **"The standard of living of the average American has to decline"**. **Business Week** inadvertently identified the class-war nature of Volcker's actions when it stated in an editorial, "Some people will have to do with less. Yet it will be a hard pill for many Americans to swallow – the idea of doing with less so that big business can have more". And that was the entire story. **By the time Volcker was finished, millions of manufacturing jobs had disappeared, wages had dropped by 30% or more, and the industrial Midwest never recovered.** Adding to the human devastation was Reagan's program of systematic deregulation, intended to further lower wages and break the back of US labor.

"Until the late 1970s, American family incomes had doubled or tripled since the 'labor revolution' of 1946. Then, thanks to the US FED and its friends and owners, the party was over. Wages fell, household incomes dropped, prosperity slowly evaporated, and both **the American middle class and the American Dream were on their way to extinction.** Few realised at the time that Volcker's recession was not a temporary anomaly as other recessions had appeared to be; this one was a permanent and on-going assault. Since then,

productivity has risen markedly while wages remained stagnant and even falling. Good jobs have increasingly disappeared to be replaced by low-wage and part-time employment, primarily in home care, fast food, and Wal-Mart. Benefits have been drastically cut or eliminated by the use of contract workers, and employment has become increasingly insecure. It began with the destruction of labor and deregulation, continued with globalisation and outsourcing, and progressed to financialisation and what we call “**Wal-Martisation**” and the Task Rabbit economy – the replacement of well-paying full-time employment with part-time poverty. By the early 1980s, the Treaty of Detroit had been unilaterally repealed and the golden age of labor was at an end.

This is only one small part of a very large story that includes globalisation, infrastructure privatisation, population reduction, mass immigration and the destruction of national ethnic and cultural identities, and the eventual disappearance of national sovereignty itself. The human race is being subjugated for the exclusive benefit of a small group of European bankers resident in the City of London. I do not know if this rolling snowball can be reversed. I fear it cannot.

\*

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# Incarceration Nation



In addition to torture and democracy, there is yet another place where the US can claim to be the world's leader, and that is throwing people into prisons. **America has only 4% of the world's population, but has 25% of the world's prisoners in jails**, with more than one person in every 30 either in prison, on parole, probation, or in correctional supervision. [\[1\]](#)[\[2\]](#)

**This means that about one person in three in the US has a criminal record.** The US has more prison inmates than the leading 35 European countries combined and, with a little over 300 million people, has a larger absolute number of prisoners in jails than does China - which has 1,400 million people. The incarceration rate in China and the European nations is around 100, while the US is at almost 8 times this



number. In fact, the US rate is higher than those countries listed by **Amnesty International** as having urgent human rights issues.

Even **Hillary Clinton** agrees: [3]

"It's a stark fact that the United States has less than five percent of the world's population, yet we have almost 25 percent of the world's total prison population. The numbers today are much higher than they were 30, 40 years ago despite the fact that crime is at historic lows."

*Hillary Clinton, speech on criminal justice at Columbia University, April 29, 2015*

## Privatisation of Prisons



From the late 1930s and 1940s when the convict leasing programs finally died, the US incarceration rate and numbers of prisoners remained low and fairly constant. Then during Reagan's presidency from 1981 to 1989, "The Great Transformation", the privatisation of public assets and infrastructure began in earnest, and the American prison system expanded rapidly, the incarceration rate multiplying by about 10 times and public budgets by about 20 times. This explosion

in the prison population was not a response to increasing crime, but due entirely to changes in sentencing law and judicial policy that resulted from the surreptitiously-planned creation of a commercial system of legally-sanctioned slavery.

Some social analysts complain that this policy has continued despite evidence that it does not achieve public safety, but public safety was never the issue, and examining these statistics is a wild goose chase. Analysts examining the brief recent history of the US criminal justice system often focus on all the wrong things, looking for logical explanations and justification for the vastly increased incarceration rates. But those examinations are misguided because the analysts are missing the essential point which is that there was never any demonstrated need for the changes made to the public justice system. The changes were initiated entirely as a commercial proposition, all done as part of a huge conspiracy to milk the profits inherent in a privatised prison system.

The plain truth is that Reagan was approached, as were many Senators and Congressmen, with a plan to loot the public treasury for the benefit of a few invisible people. This was a conspiracy driven entirely by greed and racism, deliberately designed to criminalise color and profit from poverty, in no small part by reinstating the inhuman convict leasing system. It was a conspiracy to collect millions of the black, Latino and poor white, those possessing little education, no assets or employment prospects, seen as making no contribution to society, and to convert them into corporate "assets" worth \$50,000 to \$75,000 per year each to be drained from the public purse. The first step was the legislated creation of private prisons.

## **Judges, Politicians, and Other Criminals**



In the majority of US states, judges are elected, as are many sheriffs, with their campaigns heavily supported and funded by the incarceration firms who have spent more than \$50 million to lobby and bribe federal and state legislators who would support their agenda to permit privatised incarceration. These invisible owners of the prison companies then lobbied heavily for drastic changes in the criminal justice system for no reason other than to fill their soon-to-be obscenely profitable private prisons. These changes included the institution of mandatory minimum sentences for even misdemeanor offenses, and for an altered immigration policy permitting the arrest of anyone unable to prove legal US entry. They lobbied hard to ensure harsh criminal punishments for even trivial offenses and for the criminalisation of minor transgressions, especially minor soft drug offenses, which is why these same people have been so adamant about escalating the totally fictitious "*war on drugs*".

Thanks to their efforts beginning in the 1980s, **life sentences without parole have grown exponentially even for trivial crimes**, in part because prosecutors will now file multiple charges for a single offense, considering for example each email sent by a criminal as a separate crime with its own mandatory sentence. Life sentences have been freely handed out for stealing a bicycle or a jacket. *"This conspiracy was the force behind some States' 'three strikes and you're out' laws, often leading to life sentences for victimless crimes involving only a few dollars."* [4][5]

In one case reported by the **Guardian**, [6] a man took a jacket from a department store in New Orleans, and walked out without paying for it. He was convicted of shoplifting and sent to **Angola prison in Louisiana**. That was 16 years ago. Today he is still incarcerated in Angola, and will stay there for the rest of his natural life having been condemned to die in jail.

All for the theft of a jacket, worth \$159. "Until the early 1970s, life without parole sentences were virtually unknown. But they exploded as part of what the ACLU calls America's *"late-twentieth-century obsession with mass incarceration and extreme, inhumane penalties."* The report's author **Jennifer Turner** states that today, the US is **"virtually alone in its willingness to sentence non-violent offenders to die behind bars."**

## Private Enterprise Prisons



These irrationally-enhanced penalties were all part of the vast plan by those few invisible people to create an enormous criminal class consisting of the black and the poor, and to profit hugely from the public treasury by controlling the incarceration and leasing of this new class of what are effectively indentured slaves. The new system is deeply racist, and is most of the cause behind the now common racial profiling of blacks and Latinos. The police are part of the process, the front line of soldiers who feed these new corporate assets into the private prison system. It is not accidental that about 80% of the US prison population consists of poor blacks and Latinos; these people have been selected as the inconsequential and disposable victims of this conspiracy for private profit. These are the same people, the same "surplus poor" who, a few centuries prior, were forcibly shipped as slaves from England to America, and the practice that virtually depopulated Ireland, and for the same reasons.

In some cases, these firms are hired to manage the state and federal prisons, receiving a 'management fee' of US\$50,000 per prisoner whom they then "rent out" for another US\$20,000 each. Many firms have contracts which guarantee payment for full occupancy, which means they are paid even if their jail cells are empty. Even more, the contracts demand that each day at least 35,000 immigrants without proper documentation (Mexicans and others) must be lodged in these private prisons.<sup>[7][8][9]</sup> They reap even higher profits by under-feeding inmates and providing low-quality food, by hiring untrained staff, and by severe overcrowding to the extent that many jails do double and even triple bunking which means inmates sleep in shifts, sharing the same beds and rooms. These and many other provisions severely inflate the profits of the private prison system.

This is what is called a "*public-private partnership*" between the government and capitalists controlling the secret government. Democracy at its finest.[\[10\]](#) Corrections Corporation of America (CCA) is the largest in the private prison management industry with more than 50 percent of the market, and operates around 70 prisons.[\[11\]](#) Their CEO received more than **\$22 million** in compensation in only a few years, far more than any government civil service employee might have been paid.

As one author so clearly noted, "*Even ignoring the terrible human and social costs of such a policy, US incarceration carries a huge financial cost, at more than US\$80 billion per year. In America, spending on prisons has grown 1,500% since 1980, while spending on higher education has plummeted. California, with one of the highest incarceration rates and a private prison system, **spends about \$50,000 per inmate per year, but only \$8,000 per student on higher education**, spending in total about twice as much on incarcerating people as on educating them. **Over the past 30 years, California has built one university and 20 prisons.***"

According to the ***Atlantic magazine***, California now has the biggest prison system in the Western industrialized world, **a system 40 percent bigger than the Federal Bureau of Prisons.**[\[12\]](#) Politifact manage to muddle this very badly, by including extra campus buildings as separate "universities" while omitting many of the prisons.[\[13\]](#) Others disagree.[\[14\]](#)

**Bonnie Kerness**, from a study of US prisons, [\[15\]](#) wrote:

*"People have said to me that the criminal justice system doesn't work. I've come to believe that it works perfectly, just as slavery did, as a matter of economic and political policy. How is it that a 15-year-old in Newark who the country labels worthless to the economy, who has no hope of getting a job or affording college, can suddenly generate 20,000 to 30,000 dollars a year once trapped in the criminal justice system? The expansion of prisons, parole, probation, the court and police systems has resulted in an enormous bureaucracy ... **with one thing in common, a paycheck earned by keeping human beings in cages.** The criminalization of poverty is a lucrative business, and we have*

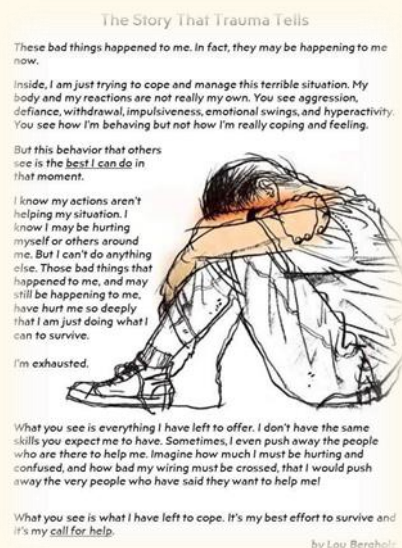


*replaced the social safety net with a dragnet. This whole new set of practices accepted by law enforcement was designed to continue to feed the money-generating prison system, which has neo-slavery at its core, sweeping up the poor and colored people."*

Her assessment is 100% correct, and it isn't only the adult prisons but juvenile facilities as well that have succumbed to massive corruption, there having been recent court cases where judges had accepted huge sums of money from the incarceration firms to arbitrarily imprison thousands of minors in their institutions. The net result of this immense greed is that - according to the FBI's own statistics - **about 80 million people, or about one-third of all American adults now have a criminal record, for either arrest or conviction, or both.** I

In the entire recorded history of the world, there is not today and there has never been any other authoritarian police state where a third of the entire population had been in prison. This is what **Chris Hedges** called "**a grotesque manifestation of corporate capitalism**". Only in America, the birthplace of "freedom".

## Bad and Gone, but not Quite



*"We have seen private prisons hit by scandal after scandal. For example, in 2016 the Walnut Grove correctional facility (run by the aforementioned MTC) was shut down after a federal judge disclosed*



*that it "paints a picture of such horror as should be unrealized anywhere in the civilized world," including rape of younger inmates by older prisoners and guards denying medical care to, and having sexual relationships with, prisoners. [16]*

A 2016 report by the U.S. Department of Justice (DOJ) said that *privately operated federal facilities are less secure, less safe, and drastically more punitive than publicly operated federal prisons. Inmate on inmate assaults were almost 30 percent higher in private prisons."*

Following this report, the Justice Department announced that it intended to end its contracts with private prison operators as it deemed the facilities to be both less safe and less effective. Later in 2016, when President Trump was elected, the stock prices of private prison companies CoreCivic and GEO soared. A year later, in 2017, the DOJ under **Attorney General Jeff Sessions** overturned the decision not to use private prisons.

**And in 2018, private prison companies donated \$1.6 million in contributions to the midterm elections.** *"CoreCivic (formerly Corrections Corporation of America), the largest operator of private prisons in the U.S. In fewer than 20 years, it's seen its revenue increase by more than 500 percent, from roughly \$280 million in 2000, to \$1.77 billion in 2017." [17]*

## **Police "gardening" - Planting Drugs**



*A former [New York City](#) detective admitted in court that it was common practice to plant drugs on innocent people in order to meet arrest quotas.*

In a case that contains all the elements of official state corruption and under-the-table payments for the purpose of feeding the private prison system, a state chemist in **Massachusetts was discovered to have falsified thousands of drug and other tests**, almost certainly with the knowledge and participation of the prosecutors and the judges. The results have been catastrophic with judges claiming her falsified testimony may have **unjustly imprisoned as many as 40,000 cases over the years**. [18] They have posed the concern that this fraudulent behavior may not at all have been limited to this one woman in one location, but may be endemic throughout the US criminal justice system. Thousands of falsely-convicted persons have already been set free, but it will likely be many years before this one case ends. One US journalist writing about this case stated that Americans would be fools to place any trust in the integrity of the American criminal justice system, and for this tragic condition we can blame the greed erupting from the tens of billions of dollars involved in the privatisation of the US prison system.

Another eerily similar case involves New York State Police and Texas police, among others in many locations who concocted their own private methods of earning bonuses by feeding the private prison system. In these cases, the police ground up pieces of gypsum wallboard (plaster), packed it in little bags, then stopped cars at random, conducted illegal searches, dropped their little bags of ground up plaster in the cars, and arrested the driver for illegal drug possession.[19][20][21][22] According to reports, at least many hundreds, if not thousands, of innocent motorists were fraudulently convicted from this scheme until one "brave public defender" demanded the evidence be presented to the court and be tested for proof. The fraud was then exposed, and it was discovered that **the courts and the public prosecutors had all participated in the conviction to receive their "bonuses" for high incarceration rates**.

## Kids for Cash



In 2008, there was a massive "kids for cash" scandal in Pennsylvania,[\[23\]](#)[\[24\]](#) in which **judges had accepted millions of dollars in return for an agreement to impose unduly harsh and unjustified sentences on juveniles** brought before them, in order to inflate the number of profitable inmates in two privately-owned detention centers. Teenagers would be referred to this court for offenses as trivial as offending someone on Twitter, or "trespassing" in a vacant and abandoned building, and sentenced to long periods of incarceration. After an investigation ordered by the State Supreme Court, hundreds of convictions were overturned, but the damage had already been done.[\[25\]](#)[\[26\]](#)[\[27\]](#)

This is not about the violation of the human rights of these individuals, though it is more than obvious that they do suffer egregious violations. This travesty is being done on such a massive scale involving millions of people, that it constitutes a crime against humanity itself. Under the political and financial influence of Bernays' invisible people, the US has descended far deeper into its morass of moral deformity where it now sends more people to prison, for more different offenses, for longer periods of time, than any other nation.

## Convict Labor



Here, as in few other places, can we so clearly see the effects of privatising profits and socialising the costs. This vast new criminal class, left to itself, might contribute little to the economy but equally

would cause little financial drain. **With the legislative creation of the private prison system and the justice system creating the criminal class to fuel it, each of these individuals now produce \$50,000 to \$75,000 per year in revenue** for these private corporations, most of which is drained from government tax revenue - from the public purse. The US government has conspired with these few individuals to create a hidden system by which they can loot the public treasury of many tens of billions of dollars every year on the pretense of being "tough on crime".

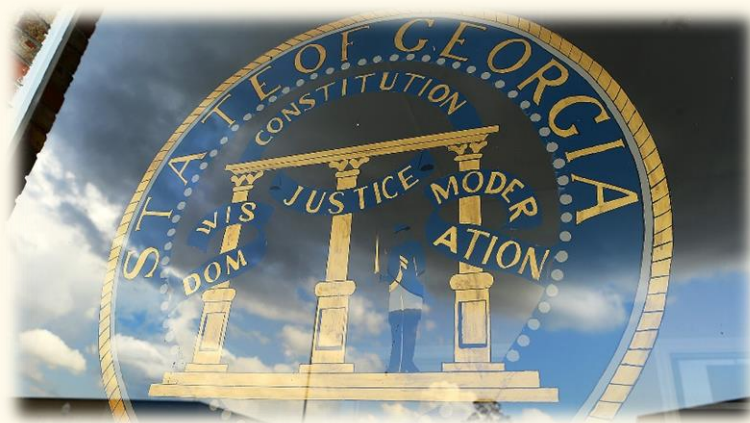
A large percentage of these inmates become convict laborers who work in factories making military and police hardware including 100% of all items like helmets and bullet-proof vests, about 50% of all body armor, [\[28\]](#) almost 100% of all paints and paint brushes, nearly 40% of all home appliances and about 25% of all US office furniture. **They also make McDonald's uniforms, Microsoft software packaging, Honda car parts, Victoria's Secret lingerie, and they staff many call centers.** [\[29\]](#)[\[30\]](#)[\[31\]](#) In many states, when you call the Tourism Bureau for travel information you are speaking to an unpaid convict in forced labor. In addition to their payments from the governments, these firms receive another \$20,000 in convict leasing fees, renting their involuntary slaves to corporations at \$55 per day, while the inmates receive as little as 32 cents per hour and never more than about one dollar. Although little-publicised, the private convict lease system has also reinstituted the brutal practice of chain gangs, where dozens of convicts, in many cases women, are chained together with shackles and put to work building roads or other such projects, again for little or no pay but with huge profitability to the firms.

"[But] prisons do rely on the labor of incarcerated people for food service, laundry, and other operations, and they pay incarcerated workers unconscionably low wages: our 2017 study found that on average, incarcerated people earn between 86 cents and \$3.45 per day for the most common prison jobs. In at least five states, those jobs pay nothing at all. *Moreover, work in prison is compulsory, with little regulation or oversight, and incarcerated workers have few rights and protections. If they refuse to work, incarcerated people face disciplinary action. For those who do work, the paltry wages they receive often go right back to the prison, which charges them for basic necessities like medical visits and hygiene items.* Forcing people to work for low or no pay and no benefits, while charging them for necessities, allows prisons to shift the costs of incarceration to incarcerated people." [\[32\]](#)

This has ramifications throughout industry and the labor market, seriously distorting the market competition for labor. **One reason wages are so low in many parts of the US - a cause on a par with Wal-Mart - is that it's cheaper to hire convicts [33]** who, even more conveniently, require neither benefits nor humane consideration. This is so true that demand for convict laborers in the US far outstrips supply.[34] More than a million inmates in the US are working literally for pennies. Prisoners are producing furniture for the University of Colorado for \$2.45 per day. **It is almost comical to read articles in the US press about China using convict laborers when the US is the world leader in this regard.**

In the late 1800s in the US, much furniture, shoes and clothing were produced in prisons, often in greater quantity than that produced by free workers. It was so bad even then that the wages of women making apparel were driven to almost nothing. The practice was banned in the early 1930s but then resurrected again around 1980, as part of the Great Transformation of America. Convicts today make up between 4% and 5% of total US manufacturing employment, America's prisons representing a large and growing pool of available labor.

## Private Probation Companies



Another arrow in their quiver was the institution of private probation companies, who are hugely profitable in their own right while serving



as yet another feeder source to the private prison system.[35][36][37] These probation firms offer to take responsibility for all those individuals, virtually all black, Latino and poor, who cannot immediately pay a small court fine or are otherwise under the custodial care of a court. The firms add entry fees, monthly fees and a multitude of other charges to the original fine, to the extent that a \$100 speeding ticket can grow to many thousands of dollars - and well outside the ability of these individuals to pay. If the firm is able to eventually collect all its exorbitant fees, then well and good. If not, it charges the victim with a parole violation which means automatic jail time.

With this, these unfortunate poor are being deliberately driven farther into poverty and eventually sold into what is a modern debtor's prison system where they will produce huge profits for the owners. They are being slowly bled to death. One 31-year-old woman received a \$179 fine for speeding. When she couldn't pay immediately, she was turned over to a probation firm where her debt immediately totaled more than \$1,500. Unable to pay, she was jailed and charged additional fees for each day she spent behind bars. After 40 days in jail, she then owed the probation company \$3,170. These companies function in a sense as bill collectors for the local courts, but are given the authority to determine that any individual will be sold to the private prison system if they fail to pay their debt immediately. These firms, the courts, the prosecutors, the police and the private prisons are all engaged in a conspiracy to shift much of the cost of the judicial system to the (often innocent) offenders.

## **The Past is Prelude**





Let's go back in history for a moment to a period prior to the 1920s and 1930s when these same attitudes flourished. Americans will tell you that the 13th Amendment of the US Constitution set the nation on a new morally-righteous course by outlawing slavery, but that claim is false. **Slavery was never abolished in America.** The 13th Amendment states clearly that slavery and involuntary servitude are permissible "as punishment for crimes", and that says it all.[38] After this amendment, slavery continued in the US as before but with an altered structure. Prior to this, blacks, whites and native Indians were owned by their masters; after the amendment, they were free criminals being punished for crimes - the only useful difference being the change in name. Immediately upon the granting of their "freedom", those same people were rounded up as criminals and placed into the nation's new convict leasing system where they were treated as badly as before. "The Southern states passed "Black Codes", or laws that only applied to Black people and made them open to prosecution for "offenses" such as loitering, breaking curfew, vagrancy, having weapons, and not carrying proof of employment. Additionally, children of "ineffective parents" would be placed in "apprenticeships" in which they were forced to work on plantations."

New laws were immediately passed that would effectively criminalise blacks and other former slaves and permit their re-insertion into slavery. These so-called crimes were often so vaguely-defined as to be universal, as was their capricious and arbitrary enforcement. A theft of an item worth less than a dollar would result in a prison sentence of five years. For blacks and former slaves, vagrancy was a crime, as was '*wandering*'. Looking at a white woman was a crime, possessing insufficient identification or proof of employment would result in a prison sentence, as would owing a debt or '*walking while being black*'. Additional crimes were fabricated almost daily to justify the rounding up of the blacks - and many of the poor white - into what could become a lifetime of indentured slavery. Laws allowed for police to "*round up idle blacks in times of labor scarcity*" and gave employers a legal tool to prevent these slave workers from ever leaving.

In many cases, the prisons didn't even exist. Newly-sentenced '*criminals*' would be sent directly to the work sites of their new owners. These forced labor programs existed throughout the US though they were more common in the South, and represented an almost unlimited source of cheap and disposable labor. **All costs of housing, clothing and medical care could be charged to these convicts who, having no money, were unable to pay and thus accumulated an increasing debt load that might never be worked off.** The

treatment of blacks and the poor actually degraded after the so-called abolition of slavery. Since these convicts were not owned assets their deaths constituted no loss, and thus cruel mistreatment, torture and killing were common and unpunished. This program ideally suited the American culture and social system since it so perfectly gave expression to their natural Christian racism and to the secret elites' long historical record of the commercially-profitable exploitation of human misery. Most American history books will tell us the system died out in the early 1900s, but that is not true. **The state of Tennessee owned coal mines that were built and worked by convict slave labor which did not close until about 1970, and there are other examples.**

*"Within a few years states realized they could lease out their convicts to local planters or industrialists who would pay minimal rates for the workers and be responsible for their housing and feeding -- thereby eliminating costs and increasing revenue. Soon, markets for convict laborers developed, with entrepreneurs buying and selling convict labor leases. Unlike slavery, employers had only a small capital investment in convict laborers, and little incentive to treat them well. Convict laborers were often dismally treated, but the convict lease system was highly profitable for the states and the employers."*[\[39\]](#)

**This was one of the harshest and most exploitative labor systems in the world's modern history.** All the Christian nations were shockingly cruel, but the US was arguably the worst of all. The writer **Douglas A. Blackmon**[\[40\]](#)[\[41\]](#) described the system this way: *"It was a form of bondage distinctly different from that of the antebellum South in that for most men this slavery did not last a lifetime and did not automatically extend from one generation to the next. But it was nonetheless slavery – a system in which armies of free men, guilty of no crimes and entitled by law to freedom, were compelled to labor without compensation, were repeatedly bought and sold, and were forced to do the bidding of white masters through the regular application of extraordinary physical coercion."* The second link [\[41\]](#) is an interesting very short video.

Returning to the present day, we can see that nothing has changed. Slavery and all its derivatives, including today's US prison and criminal justice systems, have always been entirely commercial in character, representing American capitalism at its finest. **The old convict lease**

**system and unpaid forced labor as a financially profitable way to prey on the blacks and the poor, has been resurrected virtually intact, as have the debtors' prisons of the private probation companies.** The structural framework has changed somewhat, but the essentials and the results - in terms of both human misery and commercial profit - *are identical to the varied systems of commercially-driven predatory racism that have existed in the US and been perpetrated by the bankers and elites for hundreds of years. The American Dream is not for everyone.*

\*

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# **Nations Built on Lies**

## **Volume 2 -- Life in a Failed State**

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